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ISSN 1181-6465

## Legislative Assembly of Ontario

Second Session, 36<sup>th</sup> Parliament

# Official Report of Debates (Hansard)

Wednesday 6 May 1998

**Standing committee on  
estimates**

Organization

## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Journal des débats (Hansard)

Mercredi 6 mai 1998

**Comité permanent des  
budgets des dépenses**

Organisation



Chair: Gerard Kennedy  
Clerk: Viktor Kaczowski

Président : Gerard Kennedy  
Greffier : Viktor Kaczowski



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 6 May 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 6 mai 1998

*The committee met at 1530 in committee room 2.*

## ELECTION OF CHAIR

**Clerk of the Committee (Mr Viktor Kaczowski):** Honourable members, it is my duty to call upon you to elect a Chair. Are there any nominations?

**Mr Rick Bartolucci (Sudbury):** I move Gerard Kennedy.

**Clerk of the Committee:** Are there any further nominations?

**Mr Terence H. Young (Halton Centre):** Will he be making an acceptance speech?

**Clerk of the Committee:** That may be up to him to decide.

**Mr Gerard Kennedy (York South):** "Dispense" works here too.

**Clerk of the Committee:** There being no further nominations, I declare the nominations closed and that Mr Kennedy be elected Chair.

**Mr Wayne Wettlaufer (Kitchener):** Chair, I have a question.

**The Chair (Mr Gerard Kennedy):** The Chair is happy to recognize the member for Kitchener.

**Mr Wettlaufer:** Does that mean you will be attending committee meetings this term?

**The Chair:** I believe it does, yes.

**Mr Wettlaufer:** Good to hear it.

**The Chair:** And I look forward, as always, to the pleasant company and to the effective work that we're going to get done here this term.

**Mr Wettlaufer:** We look forward to seeing you more than we did in the last session.

**The Chair:** Thank you for that; I appreciate it. That will be one of the things I'm looking forward to in this term.

## ELECTION OF VICE-CHAIR

**The Chair:** Members, it is our duty to elect a Vice-Chair. Are there any nominations?

**Mr John C. Cleary (Cornwall):** I nominate Mr Bartolucci.

**The Chair:** Mr Cleary nominates Mr Bartolucci. Any other nominations? There being no further nominations, I declare the nominations closed and that Mr Bartolucci has been elected to the position of Vice-Chair.

## APPOINTMENT OF SUBCOMMITTEE

**The Chair:** I'm looking for a mover for the motion to appoint a business subcommittee.

**Mr Trevor Pettit (Hamilton Mountain):** I'll move that.

**The Chair:** Mr Pettit for the business subcommittee. Maybe I can pass you this motion.

**Mr Pettit:** To read?

**The Chair:** Yes. We'll do that in a formal format.

**Mr Pettit:** I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair, or at the request of any member thereof, to consider and report to the committee on the business of the committee; that the presence of all members of the subcommittee is necessary to constitute a meeting and that the subcommittee be composed of the following members: Mr Kennedy (Chair), Mr Young, Mr Cleary and Mr Bisson; and that any member may designate a substitute member on the subcommittee who is of the same recognized party.

**The Chair:** We have the motion. All those in favour? I declare the motion carried.

I'd just like to welcome people to the next term of estimates business and I look forward to what I think was a productive term last time. I look forward to seeing Mr Wettlaufer both here and in his riding quite often in the next little while.

**Mr Wettlaufer:** You will.

**Mr Pettit:** Mr Chair, if I might, I just wondered if the Vice-Chair would like to make an acceptance speech or anything.

**Mr Bartolucci:** Well, Trevor, let me say only one thing. I'd like to welcome the new people we have on staff this year, and I look forward to working closely with them.

**The Chair:** Maybe if these are the regular staff, we could ask for introductions and be familiar from this point forward. Would you like to commence?

**Clerk of the Committee:** My name is Viktor Kaczowski and I am the clerk of this committee and also the clerk of regulations and private bills.

**Ms Anne Marzalik:** Anne Marzalik, legislative research.

**Mrs Carolyn Brown:** Carolyn Brown, Hansard.

**The Chair:** Thank you very much. We look forward to our first meeting.

*The committee adjourned at 1537.*

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Mr Gerard Kennedy (York South / -Sud L)

#### Vice-Chair / Vice-Président

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

Mr Ed Doyle (Wentworth East / -Est PC)

Mr Gerard Kennedy (York South / -Sud L)

Mr John L. Parker (York East / -Est PC)

Mr Trevor Pettit (Hamilton Mountain PC)

Mr Wayne Wettlaufer (Kitchener PC)

Mr Terence H. Young (Halton Centre / -Centre PC)

#### Clerk / Greffier

Mr Viktor Kaczkowski

#### Staff / Personnel

Ms Anne Marzalik, research officer, Legislative Research Service





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Second Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

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Wednesday 27 May 1998

# Journal des débats (Hansard)

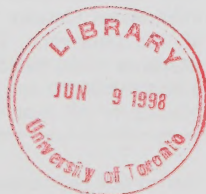
Mercredi 27 mai 1998

## Standing committee on estimates

Selection of estimates

## Comité permanent des budgets des dépenses

Sélection des budgets des  
dépenses



Chair: Gerard Kennedy  
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STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 27 May 1998

Mercredi 27 mai 1998

*The committee met at 1533 in committee room 2.*

## SELECTION OF ESTIMATES

**The Chair (Mr Gerard Kennedy):** Good afternoon.**Mr Wayne Wettlaufer (Kitchener):** Good afternoon. This is the second meeting in a row you've been here.**The Chair:** Mr Wettlaufer, it's nice to see you too and I'd like that on the record.

We are here today to commence the estimates process for this session. I think everybody here has been through this before, but just as a reminder, what that requires is a selection by each of the parties, in two rounds, of their choices for what they would like to have considered. We will commence with the official opposition, the Liberal Party.

**Mr John C. Cleary (Cornwall):** We think health care for nine hours and municipal affairs for six; those are our choices.**The Chair:** Thank you. Mr Bisson for the NDP.**Mr Gilles Bisson (Cochrane South):** We would go to education for 7.5 and then the Premier's office for 7.5.**The Chair:** Mr Young.**Mr Terence H. Young (Halton Centre):** The Ministry of Intergovernmental Affairs for 15 hours.**Mr Bisson:** How did I figure it out? I knew it.**Mr Young:** Why didn't you say that before?**The Chair:** Thank you for that abiding interest in intergovernmental affairs. We'll go to the second round with Mr Cleary.**Mr Cleary:** Agriculture, food and rural affairs.**The Chair:** For how many hours, Mr Cleary?**Mr Cleary:** Seven and a half, I guess. Also Management Board of Cabinet.**The Chair:** For the balance, 7.5?**Mr Cleary:** Yes.**Mr Bisson:** There go a couple of my picks, so we're going to go to cabinet office, 7.5 — one moment, some of my picks have disappeared quickly here. We've already done health?**The Chair:** Yes.**Mr Bisson:** Health has been picked. Can you review the list?**The Chair:** So far we have chosen health for nine hours, municipal affairs for six, education for 7.5, the Premier's office for 7.5, intergovernmental affairs for 15, agriculture, food and rural affairs for 7.5, Management

Board for 7.5, and your first selection in this round is cabinet office for 7.5.

**Mr Bisson:** Our next pick then would be — what a toss-up this is — community and social services for 7.5.**The Chair:** Mr Young?**Mr Young:** Transportation for 15.**The Chair:** Transportation for 15. I believe that is the full slate.**Mr Young:** That's it. You've got a full slate.**The Chair:** Thank you. That's the entire business for this meeting unless there are other matters members would like to raise. I will be asking for a subcommittee meeting to look at the workload. It would be my suggestion we give the ministries until Tuesday, two weeks from yesterday, to prepare. We understand the detailed estimates will be ready by then and so we'll call the first estimates two weeks from yesterday.**Mr Young:** Our duty in this meeting is to decide when the committee will commence its reviews, Mr Chairman.**The Chair:** Yes, Mr Young. I'm just looking at the traditional time we have. I'm sure everyone on this committee wants to make the best use of estimates committee time. Traditionally, there's approximately a two-week period to allow ministries to prepare. We could start sooner if you like. We have only until June 25 to review ministries.**Mr Young:** We have to look at people's workloads etc. I want to recommend we begin September 8 and 9. I guess it would be health and municipal affairs.**Mr Bisson:** Are you suggesting that estimates start in September?**Mr Young:** It's a suggestion. I have a workload at finance etc.**The Chair:** Mr Young, as you make that suggestion, I would just refer you to the standing orders and the recent records of the estimates committee. There really is no precedent for not dealing with estimates at the earliest opportunity in terms of the sittings that we've had, at least that I have in front of me for the last five years. In fact, what estimates traditionally does or has done in some years when the actual sitting time is less is to add days during the recess and that is something I would like at least considered by the subcommittee, but there really isn't a precedent for us not to do our duty and for us to put this off for a long period of time.



**Mr Young:** I wasn't suggesting we wouldn't do our duty. Maybe we can hear from the other parties what their thoughts are rather than —

**The Chair:** I just want you to be aware of the precedent. I'll ask now for Mr Bartolucci and then Mr Bisson.

**Mr Rick Bartolucci (Sudbury):** Might I suggest that two weeks from yesterday is ample opportunity for the ministries to prepare. The books will be ready. It'll be fresh in their minds at that particular time, for the minister, his PA and the staff. I suggest that in fairness to the people of Ontario, to delay it for discussion purposes until September is a bit lengthy. As quickly as possible I think is the way to go. I suggest that two weeks from yesterday is probably the best starting date.

**Mr Bisson:** Here's the problem with the suggestion. If you're asking if I think it's a good idea, the answer definitely is no. The reason is that the estimates, as explained earlier, are supposed to commence, according to the standing orders, fairly quickly once the estimates are printed, but the other thing is that the work of this committee ends — what is it? — the second Thursday in November.

**The Chair:** Yes.

**Mr Bisson:** Which means this committee would have almost no time to consider the estimates of the various ministries. I know the government is very open and accountable and wants to give the opportunity, not only to the opposition parties but to government members, to ask questions about these estimates.

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Second, I've been a member of the estimates committee dating back to 1990 and this committee, quite frankly, has tried on every occasion, both under the NDP government and under your government, to work to try to get as much of the work of the committee as possible done as far as getting the number of ministries before estimates is concerned. As the Chair indicated, your party, while in opposition, was a very big advocate of the estimates committee meeting in the summer, which we accommodated at least on one occasion, and I think maybe even two.

I would rather stick with the suggestion that we start from two Tuesdays as of last Tuesday, the second Tuesday as of last Tuesday. That gives you two weeks for estimates prior to the House breaking, if what I think is the calendar is right. Then as a subcommittee we can try to deal with whether we want to arrange for extra committee time during the summer to deal with some of the other estimates, and then be back here in the fall.

The last part is that it's quite possible this committee will not be meeting in February. We may be on the campaign trail. I think for the government to suggest we go to September 9 tells me that that's probably more of a reality than I thought before I walked in here.

**Mr Young:** I was suggesting September 9 based in part on my own schedule. The precedent, if you're looking at precedents, last year was three weeks from when the selections were made. That would give the first sitting day

as June 16, which is certainly agreeable if that is what the other parties want.

**The Chair:** Mr Young, what we have is the availability this year of the detailed estimates on June 8. Is there a particular reason why we would wait another week beyond that? Following the principle that we'd like to have as many sitting days as possible, and that is the precedent this committee has followed for the very large number of years it has pursued this —

**Mr Young:** I don't know what your schedule's like, but I can tell you mine is already virtually full for that week. If you get the estimates, you want to have time to study them and understand and prepare your inquiries. June 16 gives us that, consistent with last year's precedent, so that's the date we're willing to accept.

**Mr Wettlaufer:** One of my biggest complaints on this committee over the last couple of years has been that we haven't had ample time to review the estimates after they initially came out. I find that I would really like a weekend to prepare for the first meeting. That would seem to me to indicate that June 16 would be the best time to start. That would give us of course four days before the House rises, and that's in June, and then resumption in September would be certainly desirable. As to the concerns of Gilles Bisson, I don't think we're going to be on the campaign trail in the winter.

**The Chair:** Mr Young, to strive for a consensus here, your earlier suggestion was for September 8. Does that indicate a willingness to come back and sit additional days, if necessary, in other words, that are not part of what we know to be the calendar?

**Mr Young:** I don't want to prejudice that now because we don't even know if government committees are going to be sitting in August.

**The Chair:** Just for our awareness, we would need to make a request of House leaders to sit in the interim period. That is the traditional way the estimates committee has allocated its days. I just wanted to find out if that was part of your intention so I could move that forward.

**Mr Young:** I'm not prepared to discuss that right now, but I am prepared to make a motion that the committee come back to hear estimates starting June 16.

**The Chair:** I'll accept the motion. Is there a seconder for the motion?

**Mr Wettlaufer:** Seconded.

**The Chair:** Further discussion?

**Mr Bisson:** Listen, at the end of the day the government will do what it does. It has a majority. It's a parliamentary dictatorship. We all understand that. We live it and have experienced it from both sides of the House, some of us here.

But I just want come back and say I've been sitting on this committee since 1990. The Conservative caucus has always been a very active member at estimates. I remember full well the machinations of now Minister Jackson and others who sat on this committee who were extremely preoccupied with having this committee meet as much as possible. I take it there has been a change in position since you've come to government. You think that,

for whatever reason, government shouldn't be as accountable. That is what I have to read from what you're saying.

The second thing is, to say that I can't clear my schedule until three weeks from now as a backbencher in the government is really a stretch.

**Mr Young:** No one said that.

**Mr Bisson:** As a minister, as a parliamentary assistant, it doesn't matter, we all have our duties here. We know when committees sit. You've been given notices as to when the estimates committee schedule is on the two particular days of the week. To say "I'm not available" is hardly an excuse.

I think we should, as much as possible, try to accommodate as many ministries as possible at this particular committee so that we can properly go through the estimates and make them accountable to the people of Ontario. That's what this is all about. If the government is not willing to do that and wants to slow the process, I can only read it as another attempt by a majority government to dictate what it wants to do in this committee and, quite frankly, limit the participation of the opposition when it comes to being able to hold your ministers accountable.

Is that helpful?

**The Chair:** We'll try and make it into something helpful when we draw up a conclusion.

**Mr Cleary:** I know that I've been around here for a number of years and this committee always sat when the House was sitting, most of the time. In that way we accomplished a lot. We were all together. You could talk to other members. I can't see that we're losing the week or two that we're going to lose. I think we should get on with the business and do what we're sent here for. I know that members of Parliament are busy. They knew that when they came and they knew that when they got on the committee and I think we should get on with it.

**Mr Bartolucci:** I've already given my preference for a start up date, but if in fact, and it looks like it if you take a quick count, the government is going to win this vote, I hope all members of the subcommittee would be very open to meeting in the intersession, in the off-time, so that the people of Ontario can clearly hear what the estimates are all about. I think that's only fair to the people who elect us all to come down here.

**The Chair:** Mr Wettlaufer, and I'd like to try and suggest a conclusion.

**Mr Wettlaufer:** I just want to address a point that was raised by M. Bisson, and that is the accountability of government. It's very important to point out that this government has been as accountable or more accountable than previous governments. We have sat longer in the Legislature than previous governments and we have passed more legislation than previous governments. I think that indicates our accountability.

**The Chair:** Mr Wettlaufer, as Chair, I'm certainly prepared to accept at face value that the interest and accountability is genuine and we may find expression for that in perhaps having additional days on which this committee could sit and discharge its work. I think we all

recognize the estimates committee has a unique role in the Legislature. It's chaired by a member of the opposition and is intended to provide independent scrutiny of the biggest trust we have, which is the expenditure of public dollars.

I take the flavour of the comment today from the government side, as well as from the other parties, as saying there is interest in us discharging our duties. We've seen June 16 put forward as a date, but I take from the comments it's not intended to delay or interfere or get in the way of us doing our duties. So we look forward to perhaps making up for the time, that we take some time, because what is going to be —

**Mr Young:** Are you joining the debate, Mr Chair?

**The Chair:** I'm making a comment as Chairman. I'm invoking the precedent of the committee and I'm setting up what I hope will be a reasonable discussion. I would not want us to be in full partisan discussion.

**Mr Bisson:** I think you're being challenged.

**The Chair:** I'm accepting, Mr Young, your comments at face value and I'm hoping we can find consensus beyond the motion that's before us today.

**Mr Wettlaufer:** But as Chair you're supposed to refrain from any editorial comment.

**The Chair:** I'm not addressing the motion in front of us today. I'm simply saying from your comments — rather than have us only be at loggerheads as a result of this, I'd like us to look forward to that further discussion. With that, I'll be happy to entertain —

**Mr Wettlaufer:** I hope that you will sit more as Chair in the upcoming term than you did last time, because obviously you didn't learn from last time what the responsibilities of Chair are.

**The Chair:** Mr Wettlaufer, your company, as always, is one of the exceptional advantages to being here more often and I look forward to discharging —

**Mr Wettlaufer:** I hope you'll be here.

**The Chair:** — my duties here, elsewhere, as I mentioned before, in your riding, and other places where I'm required.

Any other comments?

**Mr Young:** Yes, I would like to clarify. I've made a motion to meet on June 16, three weeks from the meeting where the choices were made. The precedent was made last year. There's no effort to obfuscate. Mr Wettlaufer said, and I've also said, that we'd like to have the estimates for a week so we can study them, as I'm sure the members here do, to be prepared to have a meaningful committee meeting. Having said that, can we please vote?

**The Chair:** I'm prepared to call the question. All those in favour of the motion to commence estimates on Tuesday, June 16? All those opposed? The motion is carried.

**Mr Bisson:** Recorded vote.

**The Chair:** Mr Bisson, the vote has already been called. There being no further business, I call the meeting to conclusion.

*The committee adjourned at 1551.*

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Mr Gerard Kennedy (York South / -Sud L)

### **Vice-Chair / Vice-Président**

Mr Rick Bartolucci (Sudbury L)

Mr Rick Bartolucci (Sudbury L)

Mr Gilles Bisson (Cochrane South / -Sud ND)

Mr John C. Cleary (Cornwall L)

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Second Session, 36<sup>th</sup> Parliament

**Assemblée législative  
de l'Ontario**  
Deuxième session, 36<sup>e</sup> législature

# **Official Report of Debates (Hansard)**

**Tuesday 16 June 1998**

**Standing committee on  
estimates**

**Ministry of Health**

# **Journal des débats (Hansard)**

**Mardi 16 juin 1998**

**Comité permanent des  
budgets des dépenses**

**Ministère de la Santé**



Chair: Gerard Kennedy  
Clerk: Viktor Kaczowski

Président : Gerard Kennedy  
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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 16 June 1998

Mardi 16 juin 1998

*The committee met at 1532 in committee room 2.*

**The Vice-Chair (Mr Rick Bartolucci):** Could we call the meeting to order, please. First of all, I'd like to welcome everyone to the first official meeting on estimates. We will be dealing with the Ministry of Health estimates first, but before we do that, I'd just like to introduce Carolyn from Hansard and welcome her back and, of course, for the first time I'd like to welcome our clerk, Viktor. This will be his first experience at estimates. We know it will be a satisfying and rewarding one, Viktor. Welcome.

**Clerk of the Committee (Mr Viktor Kaczowski):** Thank you.

## SUBCOMMITTEE REPORT

**The Vice-Chair:** Before we go into the minister's estimates and before we discuss them, we have a subcommittee report. Is there a mover to that?

**Mr Gilles Bisson (Cochrane South):** I move that we adopt the recommendations of the subcommittee, and I'll just read it for committee members:

"That the Chair of the committee be directed to write to the government House leader requesting that the standing committee on estimates be authorized to meet for a total of 20 hours over a period of four days during the summer recess."

**The Vice-Chair:** Any discussion?

**Mr Wayne Wettlaufer (Kitchener):** Chair, as you're aware, the government has sat for a long time over the course of the last three years. We have passed more legislation than previous governments. As a result, all of the members, not just the government members but the members of the opposition, really haven't had enough time to spend with their constituents. I personally feel that we need more time to spend with our constituents during the summer and, as a result, I would be inclined to ask the House leaders to make this decision as opposed to the committee making the decision.

**Mr Bisson:** That's exactly what the motion reads. We're asking that the Chair send a letter to the House leaders and basically we're asking the House leaders for an additional 20 hours. In the end, it will be the decision of the House leaders. It's just a recommendation from the subcommittee.

**Mr Wettlaufer:** Actually, that's not the way it's worded. It's worded that the committee makes the decision

to request the House leader to authorize it. Personally, I feel it's a matter of negotiation between the House leaders; it's not a matter for us to decide.

**Mr Bisson:** Again, it's standard. We do this every year whenever there are estimates, and we have done it with every government. Basically the process is that we make the request and then it's up to the House leaders to negotiate it, but they need to know from us, do we want any time or don't we want any time? What we're saying is that we want four days, a total of 20 hours, and then it's up to the House leaders to decide.

The point I'm trying to make is that it doesn't bind the committee. It's a recommendation from the committee.

**Mr Tim Hudak (Niagara South):** In support of my colleague Mr Wettlaufer, I think if you look back to 1995, this committee didn't sit through the summer, nor in 1996. There was some time in 1997. I think we would all agree that was a rather extraordinary schedule in 1997.

I support Mr Wettlaufer's thoughts. I think it should be up to the House leaders. If the House leaders feel it's wise for this committee to sit, then let them make that decision, but my feeling is not to support the recommendation of the subcommittee.

**Mr Gerard Kennedy (York South):** Speaking as a participant in the subcommittee, I know that Mr Young and the other people who participated were looking at the number of hours available to this committee. If we don't decide to sit in the summer, we'll have a below-average number of hours available to us. In other words, we won't be able to fulfil our full role, or we won't have as good a chance of doing that. Because there are always delays, unavailability of ministers and so on, we won't be able to do that. That was the driving thing here.

At the time, Mr Young didn't know whether the House might sit or might be brought back for different things, the date we might return, so this was just giving us an ability, if necessary, to fulfil our duties by having this provision. He negotiated — I can't recall exactly, but the hours and so on were discussed in the negotiating committee. It's a provision, and I think it's a reasonable one. I certainly would regret it if we hamstrung ourselves and weren't able to get at our role because there were changes in the House or whatever.

**Mr Bisson:** Two points, and I'll try to explain this clearly. We're "requesting that the standing committee on estimates be authorized" is what it reads. We're requesting. It doesn't mean to say that the House leader is bound



to it, plus you have me on record on Hansard saying it's up to the House leaders, so I don't understand the problem.

Second, if a member of your caucus comes to our subcommittee and says, "Okay, we're agreeable to that; let's bring that back to the committee," normally it's standard that the person who represents your caucus in the subcommittee speaks for your caucus.

If I am to believe that whenever I negotiate with your subcommittee member it doesn't mean anything, maybe we shouldn't have any subcommittee meetings, or you guys get your act together, either one. But I don't appreciate going to sit down with your subcommittee member, taking the time to have the meeting in order to come to some sort of accommodation, being told by your subcommittee member that the motion is okay with your caucus, and then you guys come in and override him. What's the point?

**The Vice-Chair:** Maybe if we put on the record that in fact the intent of the motion is to have the three House leaders arrive at extra hours, and if we can get that on the record without going into amendments etc, we can vote on the report. Is that clearly understood then? Let's call for the vote.

**Mr Bisson:** Can we have a recorded vote, Chair?

**The Vice-Chair:** A recorded vote is asked for.

#### Ayes

Bisson, Cleary, Kennedy.

#### Nays

Doyle, Hudak, Parker, Pettit, Wettlaufer.

**The Vice-Chair:** The recommendation is defeated.

I take it there will be another subcommittee report and there will be another resolution coming to the committee at some point in time.

### MINISTRY OF HEALTH

**The Vice-Chair:** Without wasting any more time, the procedure for today will be to allow the minister 30 minutes uninterrupted time. Following her 30 minutes, the official opposition will have 30 minutes to make a comment or ask questions, then the NDP, and finally the government. After the 30 minutes has been exhausted, we will start 20-minute rounds. The 20-minute rounds will begin with the official opposition, the third party, and then the government, in that rotation. Are there any questions?

Welcome, Minister, and welcome to your staff. We look forward to your presentation.

**Hon Elizabeth Witmer (Minister of Health):** Thank you very much, Mr Chairman and members of the committee. I'm certainly very pleased to appear before you this year as the Minister of Health to review the estimates for 1998-99. With me for the committee proceedings is the Deputy Minister of Health, Sandra

Lang. I certainly do appreciate the opportunity to discuss with you the achievements of the Ministry of Health and our government with regard to Ontario's health system over the past three years, and to also outline for you today our direction for the future.

Since becoming health minister in October of last year, I have spent considerable time meeting with many, many Ontarians, particularly those who have a stake in our health system, be they patients, professionals, providers or others. My purpose has always been to hear the views and to get the input of these individuals as to how Ontario's health system can best respond to their needs, because it is those individuals who can provide us with the best assessment of the system and who can detail how our government's reform of the health system is affecting them.

I am pleased to say that as a result of the discussions and consultations I have had, there does continue to be a consensus that we do have in this province an excellent health system and that the basic principles that determine the health system decision-making are indeed excellent as well. It is these principles that will shape the future of health services in Ontario. They include the following: a system that offers the highest quality of care possible; a system that capitalizes on the benefits of medical science and technology; a system that is accessible to all Ontarians in the province of Ontario; a system that is becoming more and more integrated; and a system that remains affordable.

What we need to continue doing as we progress with health reform is to build on the existing strengths of the health system while also being very mindful of both the pace of reform and the impact that the reform does have on the individuals who work within the system and those who receive the services of the system.

While we all know that health system changes have been taking place in Ontario for the past three years, I would like to take a few moments now to explain why our government set out to reform such a major institution, one with which virtually each and every Ontarian will have contact during some stage of their lives.

Our prime consideration continues to be the profound need for us to anticipate and plan for the changing needs and expectations of a growing and aging population. Our health system must be capable of effectively and efficiently responding to the health needs of all Ontarians, and it must be prepared now to be able to provide appropriate, accessible services for the people of this province not only today, but well into the next century.

Through numerous initiatives taken by our government, we are moving forward to create an integrated health system where high-quality patient services are first and foremost. We are actively working to ensure that a continuum of care can be provided to people, to make sure they receive the services to which they are entitled at every stage of their lives and to bring those services as close to their own homes and communities as is possible.

1540

When we took office in 1995, we inherited a health system that was designed for the needs of Ontario's pop-

ulation in the 1950s, 1960s, and 1970s. It was clear that it was not responding to the needs of the changing, growing and aging population of the 1990s. It also was not responding to the changes that had taken place in medical treatment, technology and new drug therapy. As well, there was no recognition of the fact that hospital stays were dramatically shorter than in the past. Indeed, as we embarked upon reform, we learned that Ontario was the last province in Canada to begin down this road.

Let me give you an example of what our government faced three years ago. In the previous decade, about 10,000 beds had been removed from the hospital system, yet all the overhead and administrative costs remained. Our resources were being spent not on improving the health of people in this province, but on maintaining unused buildings and facilities.

Consequently, in the past three years, Ontario's hospital system has undergone tremendous changes. We have seen, as I said, incredible advances in medical technology, new surgical techniques and new drug therapies. We know that today patients are spending much less time in hospital, and more and more diagnosis and treatment is taking place on an outpatient basis. If we take a look at some of the new techniques in gall bladder operations, and certainly in dialysis, which in some cases is taking place now within the home, we can see that indeed there is less time today being spent in hospital than ever before. In fact, over 70% of all the surgery in the province now happens on an outpatient basis.

The reduction that the system faced in beds, and that was the 10,000, is the equivalent of about 30 medium-sized hospitals, yet we had not seen any reduction in the number of hospitals or hospital buildings. This costly surplus capacity in the hospital system is one of the principal reasons that the Health Services Restructuring Commission, under the leadership of Dr Sinclair, was established as an independent body operating at arm's length from the government. Indeed, the government gave the commission the responsibility of making decisions about health services restructuring and providing advice to us on the health system.

The commission has travelled across the province to examine all elements of the health system. It has consulted with Ontarians and it has determined how the system could better serve people. In particular, the commission is identifying specific areas where we can expect pressure to build and where improvements must be made.

For many communities, restructuring has meant that their individual hospitals and their hospital boards will merge. Services will be consolidated, and unneeded and unused buildings will be closed. It is not an easy process to manage, but hospital chief executive officers and senior administrators have told us it is necessary. In the words of Michael Strofolino, president of Toronto's Sick Children's Hospital, "There were too many dollars in the hospital system tied up in duplication and inefficiency, in bricks and mortar, rather than people."

Restructuring was and is not always a popular process, but as an editorial in the Ottawa Citizen pointed out:

"The outspoken resistance to closing any hospitals anywhere is slowly giving way to a public awareness that attempting to keep every hospital open will extinguish all hope of maintaining and improving an effective health care system. That change in perception is due in large part to the professional, careful manner in which the Health Services Restructuring Commission is handling a task few would covet."

So now we are in this province making the tough decisions and we are creating modern hospitals with the latest technologies. Linkages between hospitals are improving, as are linkages between institutional and community care, and at the same time existing services are being used more effectively than ever before. What this means is that Ontarians now are being served with better services and treatment. As I indicated to you, we are endeavouring to ensure that these services are brought as close to home as possible.

Certainly the consolidation of hospital programs, the reduction in the number of hospitals, and the requirement of higher levels of efficiency in hospitals will save money. However, closing hospitals is not the goal of the exercise. The goal is to free up money for reinvestment into patient care, into ensuring that we have the necessary health programs and services, such as cardiac and cancer services, to treat people in this province. We want to make sure we have the best possible health system.

The anticipated result will be better managed, more coordinated services, and improvements that build upon the current strengths of the system. The challenge of change is not to tear down what we have and start building from scratch. It is to take our excellent health system and make it even better.

Restructuring is also about amalgamating hospital programs within communities and eliminating the overlap and inefficient duplication of services so the system as a whole offers people access to the best-quality programs and treatments available.

As you know, reforming our health system is a considerable challenge, one that does entail the greatest reinvestment in health services this province has ever seen.

This reinvestment is saving lives. Money spent in such areas as breast cancer screening programs is a testimonial to this. We reinvested \$24 million into breast cancer screening programs and we anticipate that this will reduce death in women between the ages of 50 and 70 by about 30%.

This reinvestment in priority programs such as improved access to cardiac services also helps us to accommodate more procedures and reduce waiting lists. We have invested \$65 million for cardiac surgeries and facilities.

There is evidence that there is improved access as we take a look at the number of completed cardiac cases for adult Ontarians, which were 12% greater in the first 10 months of the 1997-98 fiscal year than in the same time period the year before, and the waiting time in January 1998 was 29% less than a year earlier. That means that more than 14,000 additional cardiac care patients will have access to needed services.



Again, we've talked about bringing services closer to home. We have in 20 communities expanded or installed new life-saving kidney dialysis services since December 1995 to serve an additional 400 people. Another 23 communities are being equipped with magnetic resonance imaging units, which, when all are in place, will nearly triple the number in existence in Ontario compared to when we took office in 1995. Again, they will provide faster diagnosis for some 22,000 people. With additional medical technology available closer to home, Ontarians will be able to obtain many of the vital diagnostic and treatment services they need and will not need to travel as far. They will have less stress as a result.

Our list of specific reinvestments is a lengthy one. In fact, it includes over 70 since 1995.

In addition, we have set aside \$2.5 billion to help our hospitals with the costs of restructuring. As you know, we did listen to the hospital community, and the planned third year of budget reductions for hospitals, which was initially scheduled for 1998-99, will not occur.

1550

All of these decisions were supported by Ontario Hospital Association past president David MacKinnon. He said: "Fortunately the government listened to the advice we presented. We particularly valued these decisions because they were not easy and the problems hospitals were facing were a result of 15 years of inappropriate policy, not just recent events." I think that again emphasizes the fact that we were responding to a system that had been designed for past years, and it was time to embark on reform.

The need for reinvestment also hearkens back to the impact of a growing and changing and aging population. We cannot emphasize enough the fact that we need to take this into consideration.

As you know, next year has been designated the International Year of Older Persons by the United Nations, in recognition of the fact that we do have a radically different makeup of a larger and older population. In fact, during the next decade, the number of people in Ontario over the age of 75 years is going to increase by about one third. The coming millennium will see the greatest number of seniors in history. That is no surprise, given the sheer numbers of the post-Second World War baby boom and the extraordinary advances in medicine that are keeping people healthier longer.

The indications are, from Peter Uhlenberg of the University of North Carolina, that a 60-year-old American woman living at the end of the 19<sup>th</sup> century had only a 7% chance of having a living parent. If the woman was living in 1940, the chance increased to 13%. However, today, as we stand on the brink of the 21<sup>st</sup> century, some 44% of 60-year-old women will have at least one surviving parent.

This dramatic shift in demographics may be worldwide, but we in Ontario must be sure we devise contingencies that respond to our own needs. Nowhere is this more evident than in our government's response and responsibility to prepare our health system to meet the needs of Ontarians in the new century.

One of the most significant challenges that we face, therefore, is the increased need for availability of community-based services. At the root, of course, is the fact that there is a decreased need for prolonged institutional care, so we're seeing changing patterns of practice.

As a result, we recently announced the single largest expansion of health services in Ontario's history. We put aside \$1.2 billion in additional funding for long-term-care community services and facilities. This investment will directly benefit thousands of people and will enable our health system to meet the demands of our aging population. At the conclusion of this multi-year investment, the long-term-care budget will have increased by 69%.

Over the next eight years, we will create 20,000 new beds in nursing homes and homes for the aged, we will renovate 13,000 beds with new design standards, and we will provide \$551 million in annual funding to community-based services such as home care, in-home nursing, Meals on Wheels and supportive housing for the physically disabled. This investment will mean improved access to community-based services for an additional 100,000 Ontarians and will also create 70,000 new jobs. That includes 27,500 new front-line health positions and 42,500 construction jobs.

This announcement is very significant not only because it represents the first new announcement, the first new award, of long-term-care beds in 10 years, but also because it has an impact on the other parts of our health system. It will free beds in hospitals that now can be better used for acute care and emergency patients.

Indeed, David MacKinnon expressed his support for the plan, noting it "will significantly improve health care services for people across the province." He also noted that until now, the chronic shortage of long-term-care services has meant that patients who should have been discharged from hospital could not be because the support was not there in their community. David Cutler, president of the Ontario Nursing Home Association, voiced similar support, applauding our government for showing foresight by working now to prepare for an aging population. Mr Cutler said that by shifting the elderly out of expensive long-term-care hospital beds into a more flexible setting, the province will be able to provide the most appropriate care for the best possible price.

Also, these announcements will enable our senior population to live with the highest quality of life and also allow them to remain independent within their own home as long as possible.

Prior to this major long-term-care announcement, we also responded quickly to the recommendations of the emergency services working group by announcing the creation of 1,700 interim long-term-care beds and the expansion of home care services to assist hospitals in meeting emergency services demands. Of the \$225 million we've committed over two years, \$75 million will also support patient needs by allowing hospitals to open temporary beds in times of peak demand. That will certainly help us with the emergency room overcrowding situation. We will also be increasing training for critical care and emergency room nurses by spending \$1 million.



To date, we've also committed millions in new funding support for Ontarians in community-based long-term care who now receive nursing, housekeeping therapy and a range of other community services. Home care spending in Ontario is 60% higher today than it was just five years ago. Of course today, families have the added advantage of having a single entry point to Ontario's long-term-care system through the establishment of 43 new community care access centres, CCACs.

Our new CCACs coordinate access to long-term-care services. They help people, they help families obtain the homemaking, nursing therapy and the other services they need at home. They also manage admissions to nursing homes and homes for the aged. Last year they helped 32,000 Ontarians, including people of all ages who were returning home after an operation in a hospital. Also, they helped the frail seniors with their daily tasks.

However, our work is far from over. I've spent considerable time speaking with our health partners, and it's obvious that the continued success of our health reform will be based to a very large degree on the development of an even closer consultative partnership between the government and our health partners. It is very important that we work together to manage change so we can do so and improve and integrate health services in an orderly fashion.

#### 1600

The consultative process is significant, and it is reflected in several of the new initiatives we have established, such as our women's health council. This is an advisory body to the government, and it will provide us with information as to how we can improve health services and standards for women in this province. This year alone, we have set aside \$10 million to fund women's health issues. The Ontario breast screening program is being expanded over four years. This means that five times as many women can be screened, and as I indicated before, we have the opportunity of reducing death from cancer by about 30% in the age group of women between the ages of 50 and 70. We're expanding cancer care in Ontario with funding of \$16.5 million, including \$700,000 for a comprehensive cervical screening program. We are also expanding the eating disorder programs in Ottawa, Toronto, Windsor and York region with funding of \$1.5 million, and we are creating some new programs. We have spent more than \$1 million to fund research into women's health this last year.

We've also created Cancer Care Ontario, which will benefit all people in this province. It is the provincial body that will coordinate and integrate cancer treatment services. It will make it easier for patients to obtain new drugs, therapies and emerging technologies. It will develop guidelines and standards to further improve the quality of patient care.

When we talk about building a health system to meet the needs of Ontarians in the next century, we know that we need to focus on our children. We all know what happens to our children when we fail to invest in them. We know that when children are at risk they are more

likely to suffer health problems, experience conflict and do poorly academically. That's why we have put in place a series of prevention programs, because we know that if we introduce these prevention programs, there is a much better chance of not only preventing health problems but reducing the social and financial costs of dealing with these problems later.

So we are moving forward very aggressively on the Healthy Babies, Healthy Children program. This program, which is an interministerial program, is going to ensure that every baby is assessed at birth and a determination made as to whether that young child is at risk of physical, emotional or learning problems. If so, those children and their families will be supported by public health nurses and lay visitors. It has been designed in a way so we can ensure that we have universal screening, and this will happen each year. The newborns will be identified and they will be assessed. We decided, in the last budget, to increase the funding for the Healthy Babies, Healthy Children program. We believe it's necessary, so our investment is growing from an annual \$10-million investment to a \$50-million annual program by the year 2000-2001.

As well, we are also funding the preschool speech and language program. By the year 2002, some 75,000 children are expected to benefit from a \$20-million speech and language program for preschoolers. It will be provided province-wide. Last year, some 17,000 preschoolers received services.

As well, we have provided a \$10-million grant to help the Invest in Kids Foundation support education, research and public awareness initiatives for children and their families.

To help women with parenting skills and prevention programs, so we can protect children from neglect or abuse, there has been a commitment of \$4.6 million annually to the Better Beginnings, Better Futures program. More than 4,000 families with young children in eight economically disadvantaged communities have received ongoing support to enhance their children's capacity to develop into healthy adults with self-esteem.

**The Chair:** Mrs Witmer, you have two minutes left.

**Hon Mrs Witmer:** Okay. Another program is the heart health program, a \$17-million investment again. We're also focusing on launching a tobacco use prevention campaign. We're looking at alcohol and drug abuse prevention programs. We're encouraging people to exercise and become more fit. Of course, we're working on the rural and northern framework to ensure the accessibility of services without this program.

We have invested money in priority programs as well in this province: hip and knee, cardiac care, cancer and dialysis.

We've also announced five primary care projects. Also, we took significant steps this last month with the creation of an integrated and comprehensive mental health system that focuses on prevention, improves public safety and access to services.

These, then, are some of the initiatives we have undertaken at the Ministry of Health. We today spend \$18.5

billion; that's up from the \$17.4 billion when we were elected. We believe health is a priority for people in this province and we will continue to do everything we can to ensure that people in this province have the services they need, when they need them, and as close to home as we can possibly provide them.

**The Chair:** Thank you very much, Minister. We'll now go to the official opposition. You have 30 minutes to either make comments or ask questions.

**Mr Kennedy:** I'd like to make a few opening comments. I thank the minister for her remarks. This is, I think, a consequential time for us to be dealing with the health ministry. There probably has been no other time in the history of Ontario that there have been so many questions raised about the quality of health, the access to health, the ability of people to achieve basic health care in our province. While I am comforted to know that the Minister has a recitation of things that are meant to make us believe that everything is fine, it's very important that we get oriented as we start this discussion.

I'd like to introduce a number of people into this discussion:

There is a woman named Ellen who lives in Hamilton whose sister waited 12 hours to have surgery for an appendix, who is living now with pockets of infection because there was no room in the operating theatre; there was no place for Ellen's sister to get the surgery she required. The 12 hours has made a difference in the quality of life she has.

There is Mary, who has an 87-year-old mother in hospital. She visits and feels worse, she says, each time she goes to hospital, because each time she goes she sees nurses run off their feet who barely have time to change her diaper. They are too rushed to be able to give her any personal attention whatsoever.

There is Brenda, who's been a nurse for 20 years. She lives in Brantford. She works in another field right now, but as the result of recent experiences with her emergency room, she and her family are no longer willing to go to that emergency room with her and her family in future.

There are home care workers in different parts of the province, like Elizabeth in Trenton and others, who are experiencing lower hourly rates and no benefits as a result of the change in policy initiated by this government, with the total insecurity that comes with that from the people we would like to depend on to provide for our mothers and our children and anyone, grandmothers, who need assistance at home.

We also see Margaret in St Catharines, a cancer patient who got treatment in one of our most reputable hospitals. She has been encountering broken-down cancer machines and waiting for treatment and bad backups and lineups in terms of what's happening.

There is a nurse in Toronto who encounters every day a pit in her stomach because she has to participate in the decision-making of what she calls the "big circle with beds," the time of the day when surgery is started, when people start to come in through emergency and people have to be released from her hospital earlier than it's safe

to do so. Every day she has to participate in this because that's the state of health care in Ontario.

Madam Minister, I'm certain that it is only fair to say that there have been problems at other times in the cycle of providing health care, but it is becoming increasingly clear — and we want to thank you for your remarks and taking office to remind us — that this has been a government without a vision, without a plan for how to conduct health care. That has certainly become very, very apparent, that this has been a very flawed experiment we've embarked on with some very significant cost.

#### 1610

We want to keep in mind the focus of health care: the people who've been lying in the emergency room hallways, people like Ed Whitehill in Peterborough, who was discovered there, dead, by his daughter. The Whitehill family tried for months afterwards to get an acknowledgement from the health ministry; instead, the staff of that hospital were accused by your predecessor of having made up the problem and having participated in some kind of exercise to inconvenience their patients. The people who sit on waiting lists, the people who find themselves not protected, have to be the fundamental focus of this discussion we have over the next number of hours.

The thing that has to be brought forward that I would like to get specific answers to is the nature of what's revealed in the estimates. There are the tracks, the trail of what actually has been done and has not been done. What I would put to you is that there has been a reckless policy, a policy that began with cuts to hospitals which were announced in November 1995. Those cuts had no basis, no study; at least we've asked for the study that would substantiate that the \$1.3-billion cut to hospitals actually had some forethought, some planning that anticipated how much impact that would have on some of the people I just mentioned.

In other words, sitting in Queen's Park a decision was made to extract 18% of the operating budget from hospitals. That decision has really not been deviated from, and there has been no basis on which to say that patients would be protected, that people would remain safe.

I would challenge you today, if you have such studies, to bring them forward. But what I would make you aware of is that the one study that we were able to get hold of was conducted not in November 1995, but rather a year following. In January 1997 the JPPC, between the hospitals and the ministry, modelled what cuts could take place and said they can't be done without hurting patients, but those cuts went ahead anyway. Those cuts were reckless. Those cuts happened in every community of the province without regard for local conditions. The kind of formulaic adjustments that happened simply did not take into account the histories of hospitals or organizations which had made efficiencies, did not take into account actual standards needed to protect patients.

It also was clear, as you told us, that there has been no plan for the development of health care. Thus we see one of the most dangerous elements of things, which is the application of crude academic formulas applied to the



whole province without regard for rural areas, for small towns, for looking after the different needs that need to be served by hospitals and other health services. For example, we have an average-length-of-stay formula that, even to this day, continues to be used in rural Ontario, continues not to really differentiate for the special characteristics of small communities. While there is a surrender on the part of the commission to allow local district health councils to decide whether hospitals can stay open, the number of beds those hospitals have, the loss of funding, is still the decision of the commission, and still based on exactly the same formula being used in downtown Toronto as it is in places like Petrolia.

It's extremely important, Minister, that we hear from you in terms of how you can justify some of the late and ineffective responses to the mess that's been created so that we now have, for example, a lag, a huge gap. It comes down to a certain amount of credibility on the part of your government to be able to make us believe that somehow what you call reinvestments — you say that money you've actually already cut in most cases and taken out of communities will be coming back, when in many cases the delay will be years for those communities to achieve any comparable services to the ones they're losing in their hospitals. That, I submit to you, is a very significant credibility gap. It is a service gap. It is a gap I would call the Harris health gap, because it's the kind of gap that is causing harm to some of the most vulnerable people in the province.

When we look at the fact sheet — and we heard you repeat today a number for spending on health care. It's important, as we're in estimates, to use that as a point of reference, because it tells us the difference; something about that gap is really illustrated when we look at the real history of this government. When it took office there wasn't \$17.4 billion spent on health care, but rather \$17.7 billion. In the following years, when you compare, strictly speaking, operating dollars used for patient care, you find that in 1995-96 there was \$52 million less spent by this government. Less money was spent by this government in 1995-96, as recorded in estimates, than the previous government. Similarly, in 1996-97 even less money was spent; another \$114 million less was spent by this government. You will, I hope, put in front of us the evidence on how directly comparable operating dollars, dollars that help patients, were actually expended by this government during its first two years in office. What we saw was money leaving the system but not money coming back in.

Minister, we don't know what to make of the current year, particularly with a number of things in that budget, which we will hopefully address very directly in terms of getting your ministry to respond, but we do see a continuing cut in terms of the amount of money going to hospitals. We see continuing problems in terms of actually fulfilling promises. You will know that that is the key thing the people of Ontario are starting to make a distinction between: When your government makes a promise, what you like to call a reinvestment, it doesn't actually affect or assist or help people until the money is

actually expended. Of course, the lag time between promises and actual expenditure on the part of the government has been on the order of two years to get programs out.

I will cite just one as an example, because I would like you to respond to it: the program dealing with long-term care. In 1996-97, we were told that \$170 million new dollars would be expended. At the end of 1996-97, virtually no money was spent on additional long-term care, on additional home care for people. In the very same period, hundreds of millions of dollars were taken out of hospitals, creating a demand and a need for home care services all across the province. We learn today in estimates that there still remains some \$80 million of that program unexpended, that still hasn't been allocated around the province. This is now 1998, we're partway through the year, and if the ministry staff who informed us previously were accurate, the dollars that were from a previous government's commitment, were first identified by a Liberal government in 1990, are \$170 million that have nothing to do with —

**Mr Bisson:** You can say it: the NDP.

**Mr Kennedy:** The NDP didn't spend the money. The NDP identified the money and announced it a few times, Mr Bisson, and this government has not been shy to do so either, but it's an important \$170 million, because it shows very clearly that this government has a track record of not being able to put money into the services it talks about.

I would also like you to table figures, if you have them, to show the overall impact of your reinvestments in the last two and three years. In other words, show us the money working in those communities, because we will put our own figures on the table. We will show to you and to the people of Ontario that the money has not been there for people to depend on. The problems that people are experiencing with their waiting lists for surgery, with their difficulty in terms of getting quality home care, with their other problems, is a direct result of that lack of service.

We'd like to make sure to take this opportunity to provide you with some of the concerns of the people of Ontario. One of the things we also want to make sure we deal with through this exchange is that we deal with some of the myths. One is the reinvestment that people are being told to depend on, to hope for some faint amount of money sprinkled on the horizon that will deal with their current needs.

Then there's the myth you mentioned in your speech today around empty beds; in other words, saying that Ontario had some catching up to do. As I believe you're aware, there are fewer beds in Ontario today than in many, if not all, of the provinces in Canada. In fact, that was the case when we started this initiative. Beds have been closed, not left open with large wards unattended, but instead — and this is something I would specifically like you to respond to — converted to day surgery, and those nurses being deployed to provide care.

The difference with your initiative is that you've laid off nurses, specifically. You've cut money and forced



services to be taken back. What I would like to learn from you in the course of our discussions is how this is supposed to improve patient care, when we're going to a level of nursing care — because that's really the only way to express beds — that's lower than any other jurisdiction in the county. How will that provide for us?

You know from the statistics that came out last week that we have the lowest number of registered nurses anywhere in the country. Out of 10 provinces and two territories, we have the lowest ratio of registered nurses, and we don't have good prospects of turning that around even if there was a commitment. We would like to hear specifically, on one of the most fundamental missing pieces of the reforms you've claimed here today, about coherent outlook, why has there not been a human resources policy that would ensure we have the nurses we need, when we need them, in the places we need them? Right now, what we're hearing about, quite ironically, is nursing shortages emerging, large numbers of discouraged nurses that we're unable to recruit for either critical care units or emergency departments, simply because the lack of funding in the last few years has transformed working conditions such that many of them have chosen to work elsewhere or to not work in this province as nurses.

We would like to hear, is there, at this late date, a possibility of a comprehensive human resources plan that would start to tell the nurses and also some of the specialists, some of the other valuable health practitioners in this province, what they can expect? What can they expect in Ontario over the next number of years? In the last 10 years we've lost 30% of our orthopaedic surgeons. We've lost a significant number — estimates are as high as 40% — of the family residents who graduated from the University of Toronto last year to the United States. There doesn't seem to be any responsiveness on the part of the government.

An argument you made today that I would agree with was that some of this change had to be contemplated. Certainly there is an aging population, there are dynamics that have to be dealt with, but if we're going to try and deal with that, one would think we would have specifically a plan to make sure we have adequate human resources, because the health care field is first and foremost composed of those specialized caregivers.

**1620**

Minister, I wonder if I could use part of my time to start some of the questioning that I have. I would like to specifically draw your attention to the spending in the last year and in the current year proposed, just on a general basis, asking for your reaction on the overall amount of dollars that are spent. Specifically, there are four items that I wondered if you would help to clarify for me. One is the amount of money spent on restructuring in the last year.

As I think people are aware, there was an allocation of \$1.2 billion in the budget. There was \$154 million actually spent in the past year and, as I understand, that money was substantially spent for the costs of laying off or firing nurses. Could you verify that that is substantially the money that was spent on restructuring this year and

that was the purpose of the funds. Also, I wonder if you could tell us, within that number of \$154 million, how much of that was used by the various hospitals you reimbursed for consultants and for other related expenses distinct from separation packages for nurses and other health professionals.

**Hon Mrs Witmer:** Yes, certainly that money was spent on some of the severance packages as we went through the process of restructuring. You're referring specifically to the \$154-million amount?

**Mr Kennedy:** Yes.

**Hon Mrs Witmer:** I'm going to ask Mr Sapsford to break that down into details then.

**The Vice-Chair:** Minister, when anyone is referred to, we ask them to come up to the mike and identify themselves for Hansard so that Hansard can make a record of it, please.

**Hon Mrs Witmer:** We will follow up and get that specific information for you then, Mr Kennedy.

**Mr Kennedy:** Thank you. Maybe I could, in the spirit of that, broaden the questions that I'd like responses to about the spending last year.

**Hon Mrs Witmer:** As you know, that was the first year of making that money available to the hospitals. We're presently going through the process again where they are identifying their specific needs, and again money will be made available to them from that same restructuring fund.

**Mr Kennedy:** I wonder, then, in the spirit of ensuring that Mr Sapsford is able to bring back the information, if we could include the \$245 million of this year's money that is for restructuring costs and if we could also learn what's anticipated. I understand that it's for the past year; in other words, it's for the year already past.

**Hon Mrs Witmer:** That's right. At the present time that's what hospitals are preparing, that type of information. Then the money will flow out to the hospitals once we can determine that indeed the information is accurate.

**Mr Kennedy:** There are other things I'd like to have verified when that information comes back. One is the working capital that the budget refers to as being due to restructuring, that \$47 million in working capital that was made available to hospitals was somehow related to restructuring — in other words, it was one time and had to do with lack of cash flow in hospitals — if we could have information pertaining to that, because it seems to be that that restructuring expense is treated a little bit differently and there isn't very much information about it.

**Hon Mrs Witmer:** On the \$47 million?

**Mr Kennedy:** Yes. I understand that 15% of the cost of restructuring is absorbed by the hospitals, who are forced to lay people off or hire consultants or engage in those one-time expenses. They have to find 15% of that cost. In the previous year, \$23 million had to be absorbed, which really is a further cut or adjustment for those hospitals to make in absorbing that. I wonder if we could confirm the nature of that: How does the ministry view it, is that figure accurate, and so on. If those matters can be brought back —

**Hon Mrs Witmer:** We'd be happy to bring that information back to you regarding that restructuring money.

**Mr Kennedy:** There's a significant question I'd like to ask around the policy towards hospital funding in the future. You mentioned it in your speech and it had to do with the so-called third year of cuts. What I'm wondering is, very specifically, when the restructuring commission makes its advice to you around the savings that can be realized in the various communities that it goes into, there is, generally speaking, a variance between what has already been cut — because the initial cuts were pretty much 12% across the board, with small variances from community to community — and then the commission comes in, does its rationalizing and says, "Here's what we think should come out of this community." In London's case I understand that the variance was positive and the ministry has agreed to provide that.

What I really want to know is, can you be very definitive? What can the communities which have a negative variance, in other words, which have further savings which are cuts identified by the restructuring commission, expect? Can they expect for those to be postponed indefinitely? Can they expect, when they sit down and negotiate their allocation with the ministry, that that will still be a very serious point of reference and that those cuts will eventually be worked into their operating budget?

**Hon Mrs Witmer:** Mr Sapsford, did you wish to respond to that?

**Mr Ron Sapsford:** Ron Sapsford, Ministry of Health.

**The Vice-Chair:** Ron, this is a lousy room in which to hold meetings. We all know that. Please talk into that mike. Thanks very much.

**Mr Sapsford:** The question of hospital funding and relationship with the commission I believe is the question. The government's allocations over the last two years have resulted in the savings strategy. The commission is using savings calculations based on the methodology that they developed, essentially to look at options around the placement of programs and services in a variety of hospital buildings. The purpose of their exercise was to look at operating cost savings in helping them to make their decisions about amalgamations and consolidations of hospital programs.

The ministry is using its own fiscal position to allocate hospital budgets and, as was mentioned, the \$507 million that was originally planned is not taking place in the current fiscal year. The current hospital allocation is based on that premise and there have been no planned cuts to hospital budgets for the current year.

**Mr Kennedy:** What does that mean? For hospital administrators that are consolidating, say, in Ottawa or Windsor or other places, they want to know, roughly speaking, because they've started to make overlapping arrangements, what's going to happen in the future in terms of their budget and what kind of certainty they will have. I understand, and perhaps you could correct this at the same time, that you haven't yet been definitive. You've told people that they could have their last year's allocation but you haven't published the list of allocations

yet this year for hospitals. I wonder if you could verify that.

But my main question is, what can they expect next year? Will there be individual negotiation with the ministry in terms of the needs of a region? Are you saying, when you say that the commission uses its own formulas, that that will be disregarded entirely? In other words, what London was able to do effectively was to say to you: "Look, the commission came and used these models," which at least were more elaborate than anything you're using. "We need another \$9 million per year. You should come across with that because we're in the process of doing the things the commission said we should do. We need this additional money."

I want to be very clear. Are you saying that won't apply in the reverse to communities that, say, close down facilities and so on? Will you then not use that as a guideline or will you just independently negotiate? Or a third option: Are you offering to hospitals that there won't be any cuts this year or in the foreseeable future?

**Mr Sapsford:** I don't necessarily agree with your first premise about the question of London and the amounts of money. The relationship of the operating budgets that the commission is talking about and the ministry's fiscal position are two different positions. We're in the process now of working through the relationship between the two. The funding of hospitals and the allocation methodology in the past have been based on an equity formula approach and it's my belief that we'll return to that in the future, after we're through this transition process.

The other part of the funding that we're working through now is where the commission has made directions where the service of one hospital is split among two or three others. We will be negotiating with individual hospitals around the allocation of that money as a separate exercise. So for the next year or two, on a case-by-case basis, there will be individual negotiations as we implement the directions of the restructuring commission.

1630

**Mr Kennedy:** Just so I can be completely clear, when you refer to your own assessment and so on, is it an assessment similar in technique to what the commission used to come up with their — in other words, do you use the average-length-of-stay formula?

**Mr Sapsford:** No.

**Mr Kennedy:** Could you maybe tell us, because I'm sure there are many administrators out there who would also be interested and communities that would like to know, what does your assessment tool look like?

**Mr Sapsford:** It's a funding tool that's been used for about the last seven or eight years. It's called the equity formula and it's a mechanism of allocating funds on the basis of average case costs. It weights the service of a hospital based on the complexity of the care they provide and provides resources in that fashion, which is to say it costs a hospital more to pay for a tonsillectomy than it does a heart transplant. So if a hospital is doing a lot of heart transplants, it needs proportionately more resources in order to deliver that service. That calculation is based



on the entire number of cases provided by Ontario hospitals in the year. There are allowances made for teaching services. There are allowances made for length of stay. In a few years there were allowances made for rural and northern hospitals as well in terms of cost difference between them. That's the allocation method the ministry has used for a number of years, which is not the same as the approach the commission is using. Their approach was not meant to allocate operating budgets, but rather to make decisions about how services would be consolidated.

**Mr Kennedy:** The key thing that I think the hospitals need to know is, are you expecting further efficiencies from hospitals in the province as they consolidate and do you expect to capture some of that back in terms of the funding that you do?

**Mr Sapsford:** Yes, we're particularly targeting — you have to understand that in terms of physical consolidation, where the commission has directed that physical plants close, that has not yet taken place. At the end of capital construction, when programs are relocated and physical plants are actually closed, I would expect that there would be additional overhead savings then there. The hospitals themselves that are involved would argue yes, there are savings available but not yet. They need to get through the transition period until they can generate the savings.

**Mr Kennedy:** I guess the specific question then is, are there operating efficiencies? By the way, Northwestern Hospital has already closed and there are other facilities closed. I'd like to have that on the record. But operating efficiencies — because only 5% of the saving identified by the commission is in buildings. The rest of it is laying off nurses because you believe you need fewer beds and so on. Will you be expecting further operating efficiencies from Ontario hospitals in the next few years?

**Mr Sapsford:** Savings directly related to closures, certainly. At the present time, though, during the current fiscal year, there are no further operating efficiencies expected of them through the allocation for the current year.

**Mr Kennedy:** Could you table for us any of the — if there's a document. Is there any information we could know about how your equity formula funding tool works? Is that something that can be made available and the committee could have a look at?

**Mr Sapsford:** There's quite extensive documentation.

**Mr Kennedy:** Great. We'd like to have that. Thank you.

**The Vice-Chair:** Thank you, Mr Sapsford. Third party. Mr Bisson, you'll start?

**Mr Bisson:** We're going to be splitting our time between myself and my colleague from Nipigon, Mr Pouliot. I've got a series of questions I want to ask you, but I'm going to save that for later. What I'd rather do right now is just respond to your opening comments, I guess just in the way that I wrote them down here.

One of the things that troubled me is your premise and the premise of your government that nothing really happened in the health care system over the past number of years, that it's only since you guys came to power that all

of a sudden somebody figured out that health care, like everything else, is something that's dynamic, something that changes with time, and somehow everybody else was asleep at the switch. I really take offence to that because the reality is that's not the case and you know better than that, Minister.

Our government, and prior to that the David Peterson government, and prior to that the Davis government, and prior to that the Robarts government, recognized that health care is an ever-evolving institution, as we call it, that basically changes with time. As our understanding of health care and our understanding of the treatment of disease change, so does the system. For the minister to say here at estimates and, more importantly, to hear some of the comments some of your colleagues in your cabinet and the Premier make that nobody has ever dealt with this before, I think is a bit of stretch. As a matter of fact, it's a long stretch.

I was part of a government that made a number of changes in the health care system, some of which were not well received because, as you will recognize, some of the changes that needed to be done in long-term care would challenge the existing stakeholders within the community. For example, our government had decided that we wanted to restructure long-term care and move to multiservice agencies that would be controlled under the public sector. Your party was opposed to that. You fought us nail and tooth along the way, along with the Liberal Party, when we were in government. We thought it was the right decision. I still believe it's the right one.

I was surprised after the election that you took half of the idea and said: "That's not a bad idea. If we restructure and put it under one point of access, it does make some sense." You made the decision to go in the private sector. That's one that I don't support. But for the minister to say nothing's ever happened before, nobody has ever tried to take this on, nobody has tried to modernize the system — I think goes a long way.

Also, the whole issue of central placement coordination when it comes to long-term-care institutions: You well know it was the Bob Rae government — I think under Ruth Grier; it might have been under Frances Lankin; I may have my ministers mixed up — that finally wrestled with the issue that long-term-care institutions were not retirement homes, that in fact they were institutions that were there in order to assure ourselves that we were adequately putting the resources where they were best needed. We moved to central placement coordination so that when somebody goes into a long-term-care institution, it would be based on need and not strictly on, "Who do I know on a municipal council that can get me a bed at the local manor?" because that's how it often worked.

I just put those two on the record. The list goes on. The Trillium program: When it came to the drug benefit system, we had hundreds of thousands of Ontarians who were without any drug programs whatsoever. It was the Bob Rae government, again, that put in place the Trillium program — without user fees. Your government, thank God, at least has left that program in place but you've



instituted user fees, something you said in opposition that you would never do, that you've now done in spades in our health care system, as well as others.

The other thing was that you said the system was designed for the needs of the 1950s, 1960s and 1970s and that it hadn't changed. I submit that is not the case. We designed the system certainly for the time, and as time changed and as our understanding of the treatment of disease changed we certainly, all governments, have moved in order to keep the system up to date. I would submit that you hide behind the language of change in order to advance your ideological agenda, which is to privatize our health care system over the longer term. I really get offended when I hear you hiding behind the language of change, because it is, I think, insulting to a lot of other ministers and other people within the ministry who have been working for years at trying to make sure that our system of health care evolves with time. To not recognize that, I think, is a bit of a disservice to them.

The other thing is that it doesn't recognize the work that people in communities like Timmins and Sault Ste Marie and a whole bunch of other communities across the province have dealt with themselves, the issue of, how do we better care for people within our communities when it comes to the hospital system itself? You would know, I would hope, as a Minister of Health that it didn't take the Mike Harris government, or even the Bob Rae government for that matter, for that community to come to terms with, "How can we best serve our community through one district hospital board?" We went from multiple hospitals in our community, without a hospital restructuring commission, at the request of the local people within our community from all political parties who were involved on the various hospital boards, to come together and to merge our hospitals into one entity and eventually to move it into one facility, to where we now have the Timmins and District Hospital located at its new site, something that was funded by our government but certainly something that started before we got there.

Communities, long before Mike Harris ever came around, recognized that health care changes, and as the needs of health care and our understanding of how to treat disease change, the system evolves. It wasn't Mike Harris who all of a sudden figured this out. People figured it out a long time before he ever came around, and I think it's a disservice to the people of the city of Timmins, Sault Ste Marie and a whole bunch of other communities who went through these changes themselves without the prodding of the government because they recognized what they needed to do as stakeholders within the health care system, both from a cost perspective but also from the perspective of providing adequate and sufficient care within their communities.

**1640**

Two or three times in your presentation you went on about how people are applauding your government's changes in health care. I don't know. I don't see a lot of applause when I travel around Ontario. I see the hospital association and I see other key stakeholders — they are

stakeholders in the health care field — applaud some of your initiatives. To say that your government has done everything wrong in health care would be wrong, and I would not say that. But I do not see any kind of unanimous support in the communities across Ontario and people standing up and applauding.

The one thing I am struck with everywhere I go — it doesn't matter if it's Timmins, it's downtown Toronto, it's Ottawa, it's Cornwall, wherever it might be — is that the number one concern of people is where our health care system is at. They're genuinely concerned: "Am I going to get care if I get sick?" They look at the changes the government is undertaking, supposedly for the betterment of our system, and they say, "I used to be able to get into the hospital for this kind of procedure before and I'm having a harder time getting in now."

People are generally concerned, and I think they're concerned partly for good reason, because they see that there are a lot of changes that have happened in health care since your government has come to power that have not influenced in a positive way the ability for people to access services.

I would submit that to try to save dollars at the expense of our health care system is a disservice to the people we're here to represent, the citizens of Ontario, because our province, as do the others across the country, understands that health care is a basic right of citizenship. For the state not to provide sufficient, adequate and well-funded health care for people when in need is a problem.

I look at people I've got on waiting lists up in our communities, and I'm sure it's the same in Mr Wettlaufer's area, as it is in yours. We have people on waiting lists trying to get in for cardiac care at a rate that I've not seen in a heck of a long time. That's not to say there have never been waiting lists, but the trends certainly are indicating that the waiting lists for things like cardiac care and other things are a lot longer and people are having to wait a lot longer to get in.

It is not strange for an MPP in this time, or in the past, to have to call the hospital or have to call somebody to try to get somebody into — for example, in northern Ontario, if you need cardiac services, you need to go to Sudbury. Certainly in the past, other MPPs have got calls in their constituency offices in order to try to get people in, but I am surprised at the amount of people who have been calling us over the last two or three years as compared to before. It's really on an increase.

I think there are a couple of reasons for that. One is that people are living longer, and as they live longer obviously they demand services because of their longevity. But also, quite frankly, our system is not responding to the need out there. I think that's a political decision your government has made. They've said: "We want to save dollars versus trying to provide care." The hiding behind the language bothers me.

I've only got a couple of minutes. I will only touch on one other issue, and that is the issue of reinvestment. I really want to go into detail on the numbers, because with great fanfare you are always out there saying, "We're

spending more money on health care now than we did last year."

First of all, the basic tenet is that there is an increased demand on health care year over year so it's automatic that there's going to be more money spent on health care on the basis of demand. But if you look at your numbers, a lot of the numbers you have are restructuring dollars. I would submit that when you look at those numbers and you balance it all out, we actually have less money to respond to what is a greater need. When I look at the numbers, a lot of the extra dollars you're talking about are one-time restructuring dollars that you put in in order to deal with the closure of a bunch of hospitals across the province.

The last point is, when I look in our community, the city of Timmins and across the Cochrane district, for the amount of money you've taken out there has not been an equal reinvestment going back in. The net effect is, people are looking at the system and saying: "It is not responding to me. As I try to approach the hospital I'm having to wait in the emergency ward a lot longer." In some cases you've got no other choice. Because you have no doctors, you have to go to the emergency, which basically means to say people are without a lot of services.

I look forward to the next day of our hearings when I'm able to come back with some of the specific numbers and we're able to get some answers on some of those.

**The Vice-Chair:** Mr Pouliot.

**Mr Gilles Pouliot (Lake Nipigon):** Thank you, Mr Chairman, madame la sous-ministre and madame la ministre. I wish I could, Elizabeth, say that it was a renewed pleasure appearing in front of the committee responsible for estimates. The only reason I'm here, or the main reason, is because I represent the largest geographical riding in the province of Ontario. You will comprehend and readily acquiesce by looking at the map that we're fully 26% of the overall land mass. We don't have accessibility to services anywhere near what other people have been accustomed to and, rightly so, taken for granted over the many years.

I mention this to illustrate that therefore, by way of being more vulnerable, we become also more sensitive to decisions that are made, for we are directly impacted. In many instances, while we contemplate the range of services being offered, we have no alternative. In fact, quite often we don't have those front-line services, understandably so; we are spread out over a vast and magnificent area, but there are so few of us that it's not quite compelling for anyone to provide the services. It wouldn't be wise.

Rumours or decisions that are made in haste — and I'm not imputing motive; I say this with the highest of respect for you and for your office — take on extraordinary proportions. Of course, we do read. The world is getting smaller that way. We understand your dilemma. You come at a time when you've been abandoned by a senior form of government, and you keep repeating this in the House so we won't forget. It's a normal reaction among us. The fact is, you have accepted the tenure. You must carry the tenure forward.

You have been the government for three years. We have little time to impute motives or to blame others, and I am sure that you will share with me in that sentiment.

What we see, or what we get — and we understand the challenge, the aging population. The demographics are changing; there are more people. The fact is, you are saying that you are spending more money on health care. Not cynics but critics will say, by way of a challenge, that you are spending less money per capita on health care. When you factor in the aging factor and the demographic — people who are paying us the compliment of their visit on a permanent basis, and I focus more here on the immigrants who need more help, and they're certainly getting it in large part — it puts added pressure on the system.

Under pressure, you have surpassed adequacy. You're excellent at announcing programs. And yet when we look at the very estimates, at the actual money being spent, it tells us a different story.

Let me give you an example. Of course, it's true that major increases have taken place. In terms of the human dimension of Harry and Jane, it means little.

Some \$230 million in hospitals for medical equipment renewal: This is money to fix the year 2000 bug or problem. When you say you've increased money for health care spending, once it hits the street, it means little that when the clock turns on December 31, 1999, everything will be in order. It's not money that I will see as a patient but a continuation, an acquiescence of normalcy, that the system will still be there.

You're to be commended for \$113 million compensation of hepatitis C infection through the blood supply. You're still waiting for the spouse to respond in the affirmative but, you know — you're not becoming less compatible, you've committed \$113 million, but to date you have spent nothing, Madame. The money will be there. The problem I think we may experience is that the people waiting for the money might not be, so hopefully we can reconcile that in relatively short order.

You've given \$268 million to the medical profession. I understand that they belong to the best union, and I commend you. You've wrestled them to the ceiling, Minister.

You've added some \$169 million to the drug formulary, but I read in the paper recently of a little — not a battle royal, but a difference of opinion between the lobbyists, that you are freezing the incoming new drugs, if you wish.

*Interjection.*

**Mr Pouliot:** You are not? Okay. I will need some information on this as we go on.

Public health: Oh, yes, you've involved another partner — whether they like it or not, they became your best friends — that of the municipal entity. There is \$224 million public health downloading. You have turned your back. You have given them the back of the hand. They pay for it if they want it now.

**1650**

Ambulance service, \$26 million: It's no longer your responsibility. You've decided to wash your hands of it.



Laboratory testing: The allocation was approximately \$2.23 billion. What are you spending? You are not spending the money. You say you are, but when it comes to the estimate, you have only spent \$2.059 billion.

Community mental health: You have talked a good line. You were superb. I was there. There is \$212 million allocated. There's no shortage of challenged people, we know that, and yet you only spent \$198 million. Is it because in making the transition, the other programs are not in place, but in your government's haste to indulge in conjuring of illusion and a bit of snake oil and telling people what they want to hear, in the policy of appeasement you're saying, "Yes, we're spending more," but then the estimates tell us that you're not spending the money, you're only allocating the money, so in fact you're spending far less?

We know of the nursing shortage because we all have friends, relatives, community members who go to the hospital and who are on the waiting list. We all know of someone who is there yesterday, today and tomorrow.

In 1992, for every 123 Ontarians, there was one registered nurse. In 1997, there is one registered nurse for every 145 Ontarians. There is no getting away from it. Those are front-liners. Those are the people doing the work. Out of those, between 123 and 145, it's somewhat deceiving. It takes on extraordinary proportions in this context because of the need of the 145 vis-à-vis the 123: aging population again.

Health promotion: You budget \$13 million; you spend \$11 million.

Community health services, underserved area program, northern travel grant — don't we know what we're talking about? — northern diabetes network: \$250 million. It's better than it has been, I grant you. These programs are very welcomed by the population, but when you tell the world, "We're spending more," you're allocating more again. You have spent only \$231 million; that's \$19 million less than budgeted.

Long-term care, community support services, Meals on Wheels, seniors' day programs: I don't wish to be repetitious, but your style is becoming habitual. You budget \$127 million, but then you show a reluctance and you spend only \$105 million.

Hospital restructuring: This is a combination of severance and capital. You budget \$218 million. There again, to say goodbye, you spend only \$154 million. That's \$64 million less than budgeted.

When all is said and done, when I look at the press clippings and the press releases and I look at the spin, I see everything that you will do, including making us very healthy and very rich in eight or nine years. I have a broker who will make me rich if I can only wait eight years. Eight years from now we will be in our second term of office, and we will still be fixing those messes.

The people want the money now. You spend these things and you add them up when you make the announcement, but when the estimates come along, you're spending less money. Not only are you spending less money than you tell the world you are, but you're spending less than that per capita.

Nowhere is the human dimension more present, nowhere are the expectations and the faith more evident, than with health. You consume one third and more of the public purse in the province of Ontario. We know that there is an evolution. We know that we are all committed, and you, as the chief spokesperson, more so or just as much, to doing more with less. We're not adamant, but when you hear the real stories, notwithstanding that some people, most unfortunately, will fall through the system and will be identified as causes célèbres by members of the opposition — we have a system which invites confrontation. That's the way we are structured; so be it. It's only doing our job, and we don't always present workable or reasonable alternatives.

But notwithstanding, when you go and visit someone and you find them in the corridor, Madame; when you are asked to wait and wait again to be remanded for another appointment; when you are asked by some constituents if you could possibly buy insurance so you could ease the lineup; when you are restricting accessibility; when you have decreased the home care participation by the province; when mental health has been put on the back burner in terms of essential services; when user fees are being introduced for our seniors; when hospitals are closing in front of your very eyes in the face of more demands; when people are being folded in half in a taxicab and asked to go home, only to return to emergency; when people tour Toronto on a Friday or Saturday evening and have to listen to the communication 12 or 13 times saying there is no room at the inn, Madame; when they watch you fight over an oxygen program — how are we to respond?

You have 11 million people in the province of Ontario. You have an aging population. You are the recipient of more immigrants than ever. You have the largest budget. But above all, you have a sacred trust, the trust that the people have put in the government, a system that makes us different.

We have one of the highest-taxed jurisdictions in the G-7, in the western world, and we know why. We pay at the source and we pay for a service which is essential to us, and we wish to keep it. It's up to you to be innovative, but do not look at the bottom line. The bottom line is our welfare; it is the essence of life.

In closing, I want to commend you. I know we're dealing with good people, not only in yourself but in the people in your ministry responsible for the different departments. I do encourage you to lobby the Chair of Management Board when it comes to salary review, among other things. We don't often pat them on the back, all of them. We're too quick on the response.

I occupied four ministries with the previous government of the day, and I wasn't always kind and generous to the people who made that job a lot easier, and I'm sure you will be different.

1700

**The Vice-Chair:** Three more minutes, Gilles.

**Mr Bisson:** Mr Pouliot touched on something that I think is important to say, because I think it strikes at the philosophy of where your government is coming from. We



in Ontario, as did the rest of Canada, made a decision that we would pay for services like health care and other essential services through our tax base rather than having it as a user fee. In the United States, as in other countries, they have decided that you pay when you need it or you pay via a private insurance system in order to get health care. Here in Ontario, as in the rest of Canada, we said we want to pay that through our income tax system and through various tax systems that we have. Yes, we pay more taxes than other people and there's a reason for that, so that if you get sick, no matter who you are, you can be taken care.

That really strikes at what's going on here, because your government made a choice in coming into office that it was more important to give people a tax cut than it was to provide for adequate health care and other social services to our population. You nod your head, but that's exactly what you're doing.

I think that's what separates your approach from our approach. We believe that a progressive tax system is not a bad thing; it's a good thing if it's being utilized for the betterment of the people we represent. As the New Democratic Party, we believe that health care and other essential social services are extremely important for the health of our citizens and our communities, and it's far cheaper to pay for that via the tax system than it is to pay it in the end through your wallet or through an insurance premium once that ends up in the private sector.

One of the things we're saying probably going into the next election is that the tax cut issue has to be relooked at. I quite frankly am uncomfortable in a society where we decide that it's better to give people a tax cut at the top end of the income scales than it is to give people a hospital bed, bypass surgery, cancer treatment or whatever it might be, because it makes somebody feel comfortable at the top end of the tax scale. I think it's a question of choices. You've made yours; I certainly would not have made the same decisions.

**The Vice-Chair:** Minister, you have 30 minutes now. It's your time. You can continue on with your presentation, you can turn it over to some staff, you can offer some rebuttal points to the two parties in opposition or you can entertain questions from the government side. It's entirely up to you.

**Hon Mrs Witmer:** I appreciate that. I think what I will do is continue with my presentation. I appreciate the remarks of the members of both parties.

I want to preface my remarks by saying in response to you, Mr Bisson, that there is no intention to privatize the health system. That's certainly not our objective. Our objective truly is to ensure that all money that is used in health care goes to support people and health services and health programs in Ontario. Again, I indicate to you that we want to make sure that whenever possible people in this province have the services close to their own communities, and if at all possible, within their own homes.

I think both you and Mr Pouliot can well appreciate some of the distances that your constituents are forced to travel. Obviously, by expanding the dialysis services, by making the MRIs available, by putting the \$551 million

into the community services, we certainly are trying to ensure that people in parts of the province where they don't have the same access as they may in Toronto do have those services provided as close to home as possible.

If you take the long-term-care dollars for the facilities, again some communities that might not have had beds will now, as a result of our investment, be able to stay in facilities within their own towns, as opposed to moving to the city and being forced to leave their friends and family, and certainly will have a better quality of life for being able to stay there.

Mr Kennedy referred to the fact that there are people throughout this province who obviously have experienced health issues that are of concern to all of us. It's because of the problems people face that we are making the changes. Unfortunately, there will always be people who experience problems, but we want to make sure that with the reforms we are making we will see fewer and fewer problems and we will see people receiving the level of care and the appropriate service in accordance with their needs. That's why we're making the changes we're making. Certainly I share Mr Kennedy's concerns when he indicates there are those people.

However, having said that, last night I was at a Liberal function — Mr Kennedy and I were both there — and it was interesting that several people in that audience made their way over to tell me that they appreciated the changes that were being made to the health system. In fact one individual said he'd be pleased to talk to Mr Kennedy, because I reminded him that Mr Kennedy often brings the other stories. I think you're going to get a letter, Mr Kennedy. He said he'd had cardiac surgery now and he'd had it five years ago and actually he was very pleased with the service and the nurses. He felt there was a very optimistic atmosphere within the environment where he had been.

I want to focus on the issue of prevention. I talked about the Healthy Babies, Healthy Children program. I talked about speech and language. But what we are endeavouring to do as a government is to ensure that we really shift the focus to wellness and health promotion, injury prevention, injury reduction, because we need to ensure that people are in a position where they can make their own choices about their own health. We want to improve the health outcomes for people in this province. That's why we're introducing some of these programs.

I want to talk about the heart health program. What we're trying to do here is raise public awareness. We know there are three lifestyle factors that are linked to heart disease and cancer. We know that if we can make the public aware of the fact that they need to do something about those lifestyle factors, we could reduce the amount of money that is presently being spent to treat heart disease and cancer. We are encouraging people to adopt a more healthy lifestyle, and that really involves three simple things: physical activity, healthy eating and not smoking.

**The Vice-Chair:** Excuse me, Minister. If anyone's following from the prepared notes, the minister is on page 10.

**Hon Mrs Witmer:** We've made a \$17-million investment over the next five years into the heart health program, because we know that at the present time more than three out of four Ontario adults have at least one of these risk factors for heart disease. That is costing us every year in this province about \$2 billion, and of course we lose another \$4.5 billion annually in productivity in the province.

This heart health program encourages people to make positive changes in order that they can protect their health, quit smoking, eat a low-fat diet and hopefully keep active. We anticipate that through this campaign we can reach about one and a half million Ontarians and hopefully reduce our health costs and improve the health outcomes of people in this province.

Some of the other initiatives to prevent disease and injury and to promote good health are:

We're taking a very comprehensive approach to curbing tobacco use and it's one that has served as a model for other provinces as well. A commitment has been made over three years to launch tobacco use prevention campaigns across the province and we have a toll-free Quit Smoking support line that's being tested as well.

We're also working very hard to prevent alcohol and drug abuse. In addition to the many addiction prevention programs funded by our government, the focus communities program, which is a partnership with business, community agencies and volunteers, has been established. Over half a million people were reached last year alone thanks to this \$1.3-million project which is designed to prevent alcohol and other drug abuse in high-risk communities across this province.

1710

Two thousand teachers and health professionals will be trained to implement ACTION, a three-year innovative program introduced in 1997-98. This is a program that is directed at students who are at a very vulnerable position, in grades 7, 8 and 9. There's a tremendous amount of peer pressure, as you know, in those age groups and this ACTION program is designed to assist them in making a choice and to help them from becoming involved in substance abuse.

As well, we're encouraging Ontarians to exercise more. Two thirds — that's just an unbelievable number of people in our province — are considered to be physically inactive. Again, we must do everything we can to get those people moving and active. So we have a Summer-active campaign to increase awareness and understanding of the benefits of physical activity. We have 3,000 community event leaders bringing the message of the benefits of physical activity to people of all ages. As well, Active Schools is a new program designed to increase the number of active youngsters in Ontario by improving curriculum learning strategies to give an anticipated two million students the knowledge and the motivation to be active throughout their lives and to increase opportunities for students to be active during the school day. Maybe you'll understand that I used to teach phys ed and I think it is extremely important that we encourage these young people

to stay active throughout their whole life, because it certainly will reduce health care costs and it will improve their own health.

We're also promoting good nutrition as a key factor in the prevention of heart disease. Certainly there are cancers and there is obesity and type II diabetes, and that is another reason for us to focus on good nutrition. With only 13% of our population presently eating a low-fat diet, we have created the Healthy Eating Manual. It's an adult-education resource developed in partnership with the Ontario division of the Canadian Cancer Society, the Heart and Stroke Foundation of Ontario and local boards of health.

Beyond that, perhaps one of the most important and challenging aspects of our government's health system reform is the improvement of access to health services for Ontarians. As I indicated — and I'm mindful of Mr Pouliot and Mr Bisson — we know that there are many people in this province who don't have the same access to services and we are trying to do what we can in order to ensure equal access and also equal funding to people throughout the province.

If we take a look at the size of Ontario, which Mr Pouliot has referred to, we see that we cover an area of over one million square kilometres. We have some 85% of that being forest, unnamed lakes and tundra. Of course, knowing that people live in the north and live in rural areas where there is more limited access to health services, we have responded to the needs of these people with our Rural and Northern Health Services Framework. This framework is going to ensure that rural and remote communities have 24-hour access to high-quality services and links, including telemedicine and specialized care.

If we set aside the framework, we have also recognized that there are other special initiatives that we must introduce to help rural, northern and small communities, because they have problems recruiting and retaining physicians. We have introduced methods such as paying them a \$70-per-hour fee for working nights and weekends at hospitals and hospital emergency departments. This program is helping to keep about 70 emergency wards open that were in danger of closing.

As well, the Community Development Officer Project has been expanded to northeastern Ontario. Project officers help to match communities with doctors who hope to establish new practices in the north. Again, we are doing what we can to ensure that physicians in this province look at opportunities outside of the metropolitan centres in order that they can serve the needs of individuals where they are most needed.

The other area where we've seen tremendous advancements take place and we see lives being saved is with the individuals who operate our ambulances. As you know, the ambulances are and have been equipped with defibrillators and symptom relief so that patients receive treatment faster. We have made a \$9.7-million reinvestment here. Recently I had the good fortune to attend a function where we had some survivors who are alive today because of the training and the equipment in the ambulances. It's



very rewarding to see the ambulances having access to that service in order that people can be sure they make it to the hospital.

We've also expanded priority programs. Mr Kennedy made reference to some of those in the Ontario hospitals. All of the money has been reinvested back into the hospitals. Some \$42 million went to heart health last year; \$18 million went to mental health services; \$8 million was paid for cancer treatment; \$18.5 million was spent on dialysis services and kidney transplants; \$3 million for bone marrow transplants; \$4 million was paid for other transplants — there are heart transplants nowadays, lung, liver, kidney/pancreas; \$5 million was paid for 1,900 hip and knee replacements — we're seeing the need for more of those as our population ages — and \$3 million was reinvested in the 10 lead hospitals that specialize in treating life-threatening injuries.

As a result, I am pleased to reiterate — I know there was some reference made to the fact that cardiac patients aren't getting access to the service — that there were 14,000 additional cardiac care patients who will have access to the needed services; another 13,700 cancer patients will receive care; 400 more people will have access to dialysis services; 22,000 have gained greater access to MRI services closer to home.

We have invested in services to care for the critically injured and in hip and knee replacement to serve about 2,000 people. When you see individuals who before the operation were not mobile, and after the hip and knee replacement are back to where they were, it is a good feeling to appreciate that modern technology and new treatments in surgery are allowing them to have an enhanced quality of life.

1720

More recently we took a look at primary care, the first step in health care. We made an announcement of five primary care projects in order that we could improve the accessibility to care, make sure it was going to be provided to people 24 hours a day or around the clock and that it would be high-quality patient care. This new model of care in five of our communities reflects the fact that, as we move forward and make these changes to health services, we don't do it alone. We are working in partnership with our health partners. In this instance, there was a partnership with the Ontario Medical Association as we explored more accessible and innovative approaches to delivering health services in Ontario. What we are doing is, we are going to determine what works best for both the patients and the physicians.

Features of this new family medicine model of service include expanded access to on-call services and enhanced prevention services for patients. Physicians will be compensated for the prevention services that are provided. There will be evening and weekend office hours. There will be around-the-clock telephone advice from a registered nurse. There will be improved use of technology. All of these patients will have their records computerized. Patients don't have to enrol in these new projects; it's

voluntary enrolment. They can choose their physician or they can choose the physician network.

Earlier this month, we took very significant steps towards the creation of an integrated and comprehensive mental health system that emphasizes prevention, improves public safety and access to services. This was in response to the recommendations that were made by my parliamentary assistant, Dan Newman, as part of his extensive review of Ontario's mental health programs and services earlier this year. At that time, I announced such initiatives as transitional funding for increased community mental health services and inpatient capacity.

As you know, we've already put a moratorium on the closure of psychiatric beds until such time as we have the appropriate community services in place. Our announcement also means that there are going to be assertive community treatment teams, so people in communities are going to have access to 24-hour support services. That was an investment of \$60 million to expand mental health services.

We're also going to review the mental health legislation. Dr Stephen Connell, the vice-chairman of the OMA section on psychiatry, said that he was particularly pleased we're going to do this.

As well, the province is going to assume some \$54 million in costs for dedicated supportive housing and domiciliary hostels across the province to serve people with special needs. That was an announcement last week. Who are these people with special needs? These are people who have developmental disabilities, mental illness, addiction, and frail elderly Ontarians. That is a change that is now under way.

As well, there were some budget initiatives recently. Again, we recognize the need for some interim long-term-care beds; 1,700 are going to be created.

Nursing: We, as a government, very much value the role of nurses in this province. I have had more than 11 meetings with nurses in order that we can identify the issues they face, because as front-line workers they have dealt with the issue of restructuring and they are in a position to know the impact of restructuring, not only on themselves but on the patients. We want to make sure that, as we move forward, we respond to their concerns.

We've set up the Nursing Services Task Force to take a look at the working conditions and ensure that the nurses are going to be available to do the job they do best in providing compassionate care to patients. As the result of conversations with them, we are embarking on a process of drafting legislation called the Patient Safety Act. This will ensure that we focus on standards within the health system, within institutions, and also that we focus on accountability within the system. Nurses will help us in that.

We've also invested \$5 million to increase the accessibility to health services. That money's going to be used to support the nurse practitioners. Mr Bisson mentioned that the NDP had moved forward with new initiatives in health. I want to acknowledge right here that that legislation was begun by Ruth Grier. Recently I had



services to people in this province, not only today but also as we move into the year 2000.

That concludes my remarks. How much time do I have left?

**The Vice-Chair:** You have four minutes.

*Interjections.*

**Hon Mrs Witmer:** Okay. One of the areas that was referred to — and this, I think, was by Mr Kennedy — was issues that were being experienced in some of the emergency departments in the province of Ontario.

As you know, this year we decided that once and for all we would address the issue of emergency room overcrowding. As was pointed out to us by people who were neutral observers of the health care system, this is a problem that has been ongoing for 10, 15, 20 years. If you take a look at the clippings, you'll see Elinor Caplan prior to 1990 commenting on the situation, and certainly the NDP ministers as well.

1730

We set up a task force this year, when the issue again became one that needed to be dealt with, with the Ontario Hospital Association. They reviewed the situation, particularly in the greater Toronto area. They made recommendations one morning and in the afternoon we at the Ministry of Health were able to respond to each and every one of the recommendations.

As you know, we committed \$225 million. Part of that \$225 million was going to allow for us to temporarily create 1,700 long-term-care beds because the task force became aware of the fact that many of the beds that could be used by people coming into emergency were being occupied by people in long-term-care beds. We also recognized that some of the people in hospitals didn't need to be there and could be in their own homes, so again we identified money that would support community services.

It also became apparent that there was a need to train more emergency room and critical care nurses, so some of the money was set aside for that purpose. Also, it was obvious that sometimes the hospitals needed to be allowed to open additional beds. In the past, hospitals had not been funded if they opened these beds. We indicated in our response to the emergency overcrowding situation that if there was a need to open new beds, we would fund the hospitals for those beds.

In very short order, within a very few weeks, we did address and respond very quickly. We certainly believe that as a result of working cooperatively with the Ontario Hospital Association, we are now in a better position to ensure that when we again experience these problems, there are recommendations and changes that are taking place right now that will not create some of these same situations.

Recently I was in Windsor and announced — they're going through some transitional problems there — that we were making \$2 million more available to Windsor in order to deal — and that was part of the money out of the \$225 million. I handed them the cheque on Monday and they've probably cashed it. So you can see that on the promises that are being made, the money is being made

available and people can move forward to respond to some of the health needs of people throughout the province.

**The Vice-Chair:** We'll start our 20-minute rounds with the official opposition. We'll only get that one round in today, and tomorrow we'll start our rotation with the third party and then move to the government.

**Mr Kennedy:** Minister, I had a different question in mind, but I would like to touch on emergency, since you raised the subject. You specifically mentioned the Windsor situation. I know you weren't minister at the time, but presume you've become aware that a report was written last year by investigators sent in by the ministry because of how terrible the situation in Windsor had become.

I have a number of cases here; in fact, a very large number from my colleague in Windsor, concerning real-life impacts that emergency rooms presented because they didn't get the reinvestment in a timely fashion. That was supposed to happen last August. The \$2 million you're talking about was supposed to be available for transition money to deal with the problems in Windsor last August. There was supposed to be a one-time expansion that would then have to be discarded later on because it was just to deal with the problem.

What I want to know is, why has it taken this long, specifically in Windsor, to deal with the problem? This is not a problem raised by the opposition. This is a problem where two investigators came from outside and wrote a report and specifically said that conditions there were unacceptable, and they rhymed off a lot of reasons why that was the case. I just wonder why, if you're prepared to stand behind some kind of standard in emergency, that did not get dealt with.

**Hon Mrs Witmer:** First of all, it did get dealt with. Earlier this year I actually did make an allocation to Windsor in order that they could start the construction of their emergency rooms. In fact, yesterday when I was in Windsor I was at the Hotel-Dieu Grace and I had an opportunity to tour the new emergency ward that is being constructed and rebuilt. We had already made that money available. I'm going to ask Mr Sapsford to deal with the particular situation and how that occurred. This \$2 million that I took yesterday was to further provide the transitional funding.

**Mr Kennedy:** Maybe he can elucidate. That there was a delay is my point, because I would like to be answered in this context. The emergency problems: In the report we received for Toronto, they said specifically at their presentation, and their data support this, these problems started to be experienced in the Toronto area in October 1996. They were specific about that. They also said that there were factors relating to the shortage of beds, lack of funds in the system, not just simply to a particular kind of bed being missing.

What I would like to have elucidated is, is the ministry prepared to admit it has made mistakes in terms of providing emergency service?

**Hon Mrs Witmer:** I think, Mr Kennedy, if you take a look at the report, it clearly states there was not one

reason for emergency overcrowding. They indicated there were many reasons, but there was not one single reason for the emergency room overcrowding. I think we have to recognize that fact, that there wasn't one single reason.

**Mr Kennedy:** In Mr Sapsford's or the minister's response, what I'd like to know is any further information about why Windsor suffered such a long delay in terms of being responded to. There was an issue in the community for quite a time before the report was written; a report was written and it took months before funding around it. Second, how much money has been allocated for this year? I can find about \$40 million out of the \$225 million talked about that is available. How much of that money, because we're already two or three months into the year, has already been allocated to hospitals, and what are the criteria? How do they get this money? How do they have access to it?

I'm specifically referring to the two funds that are in the report, approximately \$35 million, I believe, for transitional beds so that when they're overrun in emergency they can open some and the ministry will pay for them, and second, for the short-term/long-term care beds, for which I understand there is a total allocation of \$50 million.

I wonder if you could answer those three points for me.

**Mr Sapsford:** As far as the Windsor question is concerned, I think the minister covered what I was going to add. The primary recommendation of the report that was done specifically on Windsor was for the capital project to expand some of the physical space for the emergency department. As the minister said, that was approved some months ago.

The \$35 million that's in the estimate for emergency services is related to a temporary opening of beds during the seasonal fluctuation. We have a working group with the Ontario Hospital Association looking right now at the allocation process for that \$35 million. The \$15-million allocation for temporary long-term-care beds as well is under discussion. We will shortly be putting questions out to hospitals as to which hospitals have capacity and are interested in providing those services. The anticipation is that that money would be allocated for the fall of this year, again for the seasonal fluctuation.

**Mr Kennedy:** Am I to understand then that none of the money has been spent so far?

**Mr Sapsford:** The only amount is the amount the minister just referred to.

**Mr Kennedy:** The specific amount that was declared at the original time for Windsor?

**Mr Sapsford:** That's correct.

**Mr Kennedy:** In terms of the future allocation then, there are organizations which have problems with their emergencies today, and the one thing I think the committee made very clear is that it's not just a seasonal problem. There are certain months, times of the year where it does become more amplified, but for example, in Toronto, we're looking at factors of twofold, threefold and fourfold increases in the unavailability of ambulances, which is one of the tables they produced in their report. Are you saying

there's a committee that will work on it until the next high season of demand? There are organizations, hospitals out there that are having problems getting people into beds now. When will be the earliest they can access that money?

1740

**Mr Sapsford:** We're working on the allocation of the funding now. I think the other point, though, that the report raised was that some of the unavailability of hospital facilities was based on the fact that some hospitals were not complying with the guidelines around declaring oneself off-line, and so part of the report recommended that all hospitals involved in this process commit themselves to using the guidelines for booking off, as well as for some discharge criteria around patients in freeing up beds.

One of the other issues that was raised in the report was the lack of availability of intensive care unit beds, mostly because of the nursing issue, and part of the allocation as well will be to do some training for nurses to upgrade skills so that hospitals have a more adequate supply of critical care nurses. That program is moving forward, with discussion with the university to begin that training program as well.

**Mr Kennedy:** Let me just understand what you're saying, because there is a serious problem out there. Do you acknowledge that, Mr Sapsford?

**Mr Sapsford:** The report did, yes.

**Mr Kennedy:** Yes, the report did, and do you concur that there is a serious problem with emergencies?

**Mr Sapsford:** Yes.

**Mr Kennedy:** Because when you're talking about declaring off-line, I have a memo that you issued to the various emergencies asking them to follow a number of procedures, including cancelling elective surgery, a reminder that that is something they should do to keep the pressure off emergencies. When that memo went out or when those instructions went out from the ministry as a means of coping, did the ministry follow up and find out how many elective surgeries were cancelled to take the pressure off emergency rooms, how much of that behaviour? Is that something you then want to track and know what happened when you try and get those kinds of accommodations?

**Mr Sapsford:** We didn't specifically ask hospitals to report back on that. The point of the memo was that we were receiving information that hospitals were having problems in emergency departments and there was no change whatsoever in the utilization of hospital beds vis-à-vis elective surgery. In most cases where emergency departments become a problem, those patients presenting should receive priority, and the point of the memo was for hospitals to review their procedures around elective admission when the hospital was in fact booking off and not accepting critical patients.

**Mr Kennedy:** It strikes me that that's not terribly efficient, to be cancelling a number of times. There's a very human dimension there, because one of the people I had to assist was a woman named Ronda Durham, who's agreed to have her name used. She was at a Scarborough



hospital, waiting for elective surgery, where she miscarried. She was sent away twice during this period of time and was told that surgeries were being cancelled, that postponements were being made.

I'm questioning, because I'd like you to have an opportunity to respond, whether your ministry — and, ministry, I would be happy to have your response as well — is sensitive enough in responding to emergency issues. Windsor took a long time to respond to. We have an emergency crisis that emerged in February. It took 10 weeks to get to a report, a report which recommended some funds which still haven't been disbursed. I'm just wondering, do you think it's a good strategy to cancel elective surgeries to make those kinds of adaptations on an ongoing basis? Because nothing structural will change, it doesn't sound like, in the next period here. Is that still a good strategy?

**Hon Mrs Witmer:** We need to remember that this is a long-standing problem. As I say, I can dig up headlines featuring Elinor Caplan dealing with the situation. It isn't a new situation. It's one that's been ongoing in this province for a number of years. That was clearly pointed out by people, as I say, who are neutral.

Also, I think I need to point out that the report did not assign any one reason as creating the problem, but what the report did say as well was that there were recommendations for the Ministry of Health and there were recommendations for the hospitals. It's really important that as we address issues in the health field we do so cooperatively with our partners. There is certainly a need for us to support the hospitals in order that they can address some of the issues they were asked to address by the task force, because, as has been mentioned, not all of them were following the guidelines. The guidelines should be followed. Obviously the primary concern always has to be in the hospitals and that's why they have the triage to deal with those who are the most ill, the most acute. We need to make sure that those people are dealt with first, and those decisions are made by people in the hospitals.

It's important to recognize that the report did indicate there was a responsibility for the Ministry of Health to take action, but also the hospitals.

**Mr Kennedy:** Minister, would you agree that the report did indicate that there were new stresses on the system, that some of these problems resulted from new factors, in fact new factors since your government was in office, that we have historical problems compounded by new factors? Do you recognize that that was part of the report?

**Hon Mrs Witmer:** The reality is that there are always going to be new factors that impact on any situation. As we move forward in life there are going to be new issues that arise that are going to create and compound problems. I'm pleased that we did take action. We said: "You know what? We have a problem and we're going to address the problem."

We did work cooperatively with the Ontario Hospital Association and, as Mr Sapsford has indicated, we are continuing to meet with them in order to ensure that as the money is allocated from the Ministry of Health, we can do

so in areas where the money is most needed. We know that the hospitals are moving forward to respond to the recommendations, as they were given to the hospitals as well. So we're moving forward collaboratively to address problems, and at this point in time we need to do that and not assign blame. Let's move forward and make sure we can address the needs of patients in this province.

**Mr Kennedy:** What I'm looking for, Minister, if you'll pardon me for emphasizing, is accountability. There is only one place for accountability, and that is certainly beyond the hospital. It is the ministry. I think it's very clear that if there's going to be improvement, it's going to be driven by your recognition of the need for it.

**Hon Mrs Witmer:** I guess that's exactly why I did instruct the Ministry of Health staff to become involved in a task force with the Ontario Hospital Association. It was so that we didn't repeat this overcrowding one more time in another year. I'll read to you. This is Elinor Caplan; this was when a patient died during an ambulance transfer. In the Windsor Star of July 8, 1989, she said: "In these kinds of emergency situations it is common for physicians to use their medical judgement and determine that a patient should be transferred."

Again, in 1987, on the need for chronic care beds to alleviate the emergency room waits in Durham, Ms Caplan said, "The pressure for additional services and beds is not a phenomenon of just the past two years." We know that, and that's why we took action this year, because we want to make sure that we end and we deal with this situation. Certainly, Stephen Herbert, who was one of our co-chairs of the emergency room task force, has said that this was a difficult situation. He said, "It's not just a simple answer that comes from looking at the number of patients in the emergency room." He also indicated: "I don't believe that we have a crisis.... I can tell you that the situation in Toronto is not a crisis at this time." We wanted to make sure that we addressed this situation, and we have done so.

**Mr Kennedy:** Minister, I'd like to be more specific in what you consider acceptable and not acceptable. You obviously, in quoting that, don't believe there's any kind of crisis. Do you agree that people should not spend overnight in emergency room hallways? Is that a standard your government could subscribe to?

**Hon Mrs Witmer:** Our goal is to make sure that when people come into the emergency rooms they are treated as quickly as it can possibly happen.

**Mr Kennedy:** I'm specifically referring to the fact that they're triaged, they're found to be sick, they're diagnosed, they're waiting for a hospital bed and, instead of getting one, they go in the hallway. A woman of my acquaintance, 92 years old, spent eight days in Queensway hospital last year — eight days in the hallway waiting for a bed. I'm specifically wondering whether that's a standard your government could subscribe to. Do you think the current program will eliminate that phenomenon of people getting care in hallways rather than in rooms, attended by nurses and getting good-quality treatment as a result?



**Hon Mrs Witmer:** That's why we set up the task force, because we want to make sure that any individual coming into any emergency room in this province is treated and provided with the type of service and accommodation as quickly as possible. That's why we have the interim long-term-care beds that are going to be set up. That's why we have invested additional dollars into community services in order that those people who are presently occupying acute care beds and preventing someone else from using those beds can be accommodated elsewhere. That's our whole objective: to make sure that people don't wait.

**Mr Kennedy:** I want to be clear, Minister. I do not doubt your overall objective. I am sure you're trying to do the best you can in the way you view the system. That's why it's so important for me to understand the specifics of what you're prepared to accomplish.

When will the money be available to the hospitals that are seeing the pressures today? Because the report was clear that this wasn't just a seasonal problem. I can give you lots of examples, if you like, of recent problems in emergency rooms. When will that money be available to start doing what you would like to achieve, and is it going to be enough? Is the program you have right now going to be enough to bring about the result that you and I would probably share and say we would want to have happen?

**Hon Mrs Witmer:** Obviously, we are moving forward now. If the situation does not improve and we see that there are still problems there, then obviously we have to continue, with our health partners, to take a look at the situation and make whatever additional changes are necessary, whether it is additional restructuring or investment of additional dollars. Then we need to continue to look at it. As Mr Strofolino, the CEO at the Hospital for Sick Children, said: "This is not a new problem.... We've certainly seen this over the last many years. I think that the issues that need to be addressed are not quick fixes, they in fact probably lie in further restructuring of the system."

So of course we need to move forward. As I say, we want to make sure that when people come, they're dealt with and they're accommodated if need be. If there continues to be a problem, we will continue to do whatever it takes to make sure people have the services they need as quickly as possible.

**The Vice-Chair:** Thanks very much, Minister and Mr Kennedy.

We will reconvene tomorrow with the third party. Have a good evening, everyone.

*The committee adjourned at 1752.*



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(Hansard)**

**Wednesday 17 June 1998**

**Journal  
des débats  
(Hansard)**

**Mercredi 17 juin 1998**

**Standing committee on  
estimates**

**Ministry of Health**

**Comité permanent des  
budgets des dépenses**

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 17 June 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 17 juin 1998

*The committee met at 1540 in committee room 1.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** I call the meeting to order. We'll begin our discussion today with the third party, who have 20 minutes to question the minister.

**Mr Gilles Pouliot (Lake Nipigon):** Thank you kindly, Mr Chair and the supportive staff members of the ministry, deputy minister and the minister. I know you value punctuality, but the demands on your time and your expertise are such that we're pleased to be granted the pleasure of your audience at approximately 12 minutes after, which brings me to a point of order. I would ask for a ruling that the 12 minutes be added to estimates so that we can fulfil the full allocation of nine hours.

**The Vice-Chair:** The time starts when the meeting starts.

**Mr Pouliot:** Thank you very kindly.

I have a question for you, Minister. You're very much aware of the doctor expertise shortage in our special part of Ontario, the underserved area of the province, but my focus is with northern Ontario. It's been a situation that has been described as ongoing. It's perennial, residual; it never goes away. If you're able to attract someone by a costly and intricate competitive bid, your challenge then becomes your ability to keep the person for a period surpassing two years. It's a bit of a turnstile. There's been a sighting; you see them and then you don't.

We're trying to encourage people. There have been some efforts to attract them to the north and to get them to stay once we've attracted them. Yet we see that you have decreed that to graduate, to become a medical doctor, you must be rich, madam, or your parents must have been before you, in this context, because it's very onerous for people. We're talking about what, for me, is a very large sum: \$10,000 or \$12,000 per annum. On top of that, you must eat, you must try to be like the others, so grosso modo, you could be talking about a debt of \$70,000 or \$75,000.

I ask you, in view of the constant shortages of medical expertise, especially up north, more acutely up north, how the heck, if I may be so bold, is the daughter or the son of an average person in the province of Ontario able to afford those tuition fees? We're asking those people to provide the most essential, the most vital of service, yet on the

other hand we're telling them that unless you are well connected, unless you are rich, don't even think about attending medical school, because the fees and the costs associated with the fees will make it impossible for you to attend. What's your answer, Minister?

**Mr Terence H. Young (Halton Centre):** On a point of order, Mr Chairman: I appreciate Mr Pouliot's interest in this subject matter, but the committee is supposed to be looking at the ministry estimates. That's really a question that should be directed to the Ministry of Education. Would you please rule on that?

**The Vice-Chair:** That's a preamble to his question. He can use his 20 minutes any way they want to use it. We'll allow that to take place. The question is coming, and I'm sure it will be tied in.

**Mr Pouliot:** Mr Young is cutting into my time, so I won't pursue it.

In terms of the tuition fees for medical students, so they can graduate and come up north, what is your answer, your counsel, Minister?

**Hon Elizabeth Witmer (Minister of Health):** I'm not sure there's information such as you're talking about in these estimates. Is there information here about tuition fees?

**Mr Pouliot:** Madam, with the highest of respect, there's a human dimension attached here. You are the Minister of Health. Try to make the relationship. God has given you one; please use it. Come on. The question is quite simple. What I'm asking —

**Mr Young:** On a point of order, Mr Chairman —

**Mr Pouliot:** Hé, tu attends un minute, toi, comprends-tu? This is my time.

**The Vice-Chair:** Come on, Terry. Let him use his 20 minutes any way he wants to use his 20 minutes. He's not beating up on the minister. He's simply making a comment.

**Mr Young:** With respect, Chair, the comment, "God gave you" — what was the quotation? It was inappropriate. As well, the question is not related to the estimates process.

**The Vice-Chair:** Mr Young, I'm going to say that the comment was not inappropriate and I'm going to ask Mr Pouliot to continue.

**Mr Pouliot:** Thank you very much. The relevance is as follows, and I need your help, Minister, with respect. You are the authority when it comes to health matters in the province of Ontario. Surely the question is relevant. We



have a shortage of doctors up north that's been going on for decades, regardless of political stripe, and I'm asking you, as the authority in the province of Ontario, are you concerned about the increase in tuition fees vis-à-vis the ability of she and he to become a medical student? It is totally relevant.

**Hon Mrs Witmer:** I think what we need to take into consideration is the fact that one of our members has actually taken a look at this issue. She was certainly concerned about getting physicians into the underserved areas, whether it's the north or into the rural areas. There is, as you know, a private member's resolution that indicates that if people are prepared to make a commitment to go into the north, we need to take a look at some sort of compensation for the tuition fee.

This is an issue of concern, Mr Pouliot, because it seems that no matter what governments of different stripes have done in past years, it's very difficult to first of all encourage people to go to the north and then, once people are in the north, to retain those individuals. We have taken some initiatives and some steps, certainly, since we were elected. Some of the things that are happening now that encourage people to go there — again, we don't know that these initiatives are going to totally do the job. I think we need to continue to work with the OMA, we need to work with PAIRO, we need to work with people in the north.

As you know, we are now offering a 70-hour sessional fee for physicians for working nights and weekends and holidays, in the emergency departments in northern hospitals. There are 78 hospitals accessing that money and 40 of those are northern hospitals. We've established community development officer programs with physicians in the northwest and in the northeast; we have two officers matching communities, recruiting physicians with physicians looking to establish practice in northern communities. We now have on the Internet — and we hope that people will take a look there perhaps — a physician job registry. It tries to match communities that are looking for physicians with physicians.

It will always continue to be an issue of concern. It is a concern for us. As a government, we know we need to get people into the north and we need to get people into the underserved areas.

**Mr Pouliot:** One of the problems that the Ministry of Health has centres on mental health. There is a shortage of trained psychiatrists, especially for children. Do you have any intention, any budgetary measure, to address this dilemma, and if so, will it be directed to clinical education?

1550

**Ms Sandra Lang:** Maybe I could answer that question, Minister. I'm Sandra Lang, Deputy Minister of Health. I can speak to this question, to the history I've had in northern Ontario, as you probably are aware, the experience I've had, both in my days in social service and certainly the days in health.

The attraction of child psychiatrists to the north has been a long-standing problem. There have been efforts under way to attract all kinds of professionals to the north.

We have offered, through the Ministry of Health, various and sundry initiatives with the OMA and with doctors to try to attract and retain. We are continuing to strive to find ways to attract child psychiatrists to the north. The programs under way are constantly being evaluated by the ministry and the OMA. The ministry is extremely open to other options and other possibilities. If there are known strategies that we haven't tried yet, we're certainly quite open to looking at them. But as you know, efforts over the last decade continue to challenge governments, and they will continue to challenge us. Other than the specific initiatives, of which there are many, we don't have additional ones in the hopper. But I wouldn't suggest that we aren't open to other possibilities.

**Mr Pouliot:** That makes sense; it's fair. When I read the estimates and I focus on the cost of the drug program in the province of Ontario and I see the money that has been allocated, do I have to incorporate the copayments as part of the sum, or is it a different account?

**Ms Lang:** I've been advised that copayments are not included in ministry estimates.

**Mr Pouliot:** Copayments are not included in the ministry estimates. What is the amount that the province taxes or receives from the seniors, almost regardless of the power of the purse, the money that is extorted from them, that is received by the province in the copayment, the special health tax, if you wish, the user fee? How much money does the government take from the seniors in Ontario?

**Ms Lang:** My understanding is that the government does not take any money from seniors. I'd like to suggest that our drug program director be asked to come to the table to answer questions about drugs.

**Mr Pouliot:** I would rephrase. I appreciate the terminology, that you say the government does not take any money, but if I'm a senior it's costing me money if I don't meet the threshold. Am I right? Of course, a user fee.

**Hon Mrs Witmer:** It's a copayment.

**Mr Pouliot:** Okay. How much money does the government save, then?

**Hon Mrs Witmer:** The reality is, if we take a look at our health system in Ontario, it's vitally important that we are able to sustain our excellent health system for future generations. Obviously, if we're going to be able to do that, we need to take a look at each area of the health budget. We need to ensure that we have the financial resources that will enable us to provide the necessary services.

In the area of drugs, you probably are quite aware of the fact that with the aging population we have in this province and the increasing utilization of drugs, the cost of drugs has grown dramatically. We are endeavouring to do everything we can to ensure that your children and my children continue to have access to the excellent health system we have in Ontario.

**Mr Pouliot:** I appreciate the courtesy and the most tactful minister. In terms of my children, anecdotally, maybe in my second life. It does not apply here. Philosophically, I am not personally opposed to a copayment.

I'm very much aware that the copayment is perhaps, if not the lowest, among the lowest in Canada. My question was — surely the figure must be available — how much money is saved in the program?

I'm sure if I went to all the pharmacists, they would tell me what the costs are, how much money is saved. In other words, if you did not have the copayment, how much money would your ministry have to fork over, shell out? How much more would it cost you?

**Hon Mrs Witmer:** Do you know what? We'll get that information.

**Mr Pouliot:** I'm just curious. It's not catalytic; it's not a make-or-break question. But surely those figures should be available.

**Hon Mrs Witmer:** We'll get that for you.

**Mr Pouliot:** Thank you very kindly.

I have perhaps a difficult thing. I just came back; I travel pretty well every week in that special, vast and magnificent riding of Lake Nipigon. You know where we're at: Hudson Bay, then we have the vastness of Lake Superior, the pristine waters of Lake Nipigon. We're nestled in the Canadian Shield. Mining and forestry is what we benefit the most from. To some, it would be maybe a small corner of paradise, except that we of course endure the winter.

The health services available, however, paint quite a different picture. Now we're told — and I'm anxiously awaiting yet another timely interference from my colleague, Mr Young. Communities are calling me and saying: "Gilles, they're downloading again. We won't be able to supply the services." Public health, \$224 million — they're getting hit; they feel quite vulnerable. You see, we can't go across the street in the north. You either get it or you don't; there's no alternative. Now we have to pay for the cost of ambulance; we have to pay for increasing costs all the time.

Yet on the one hand you say you're spending more money on health. Maybe so, likely so, but it's not very evident up north, because if you're spending more money, how come we're asked to pick up the slack? Where you were spending money yesterday, now it's our turn to pay. People feel that. It's not you personally; it's the system and it's the brigade, the club to which you belong, Madam Minister. We have become somewhat forgotten. We have become, in all this, marginalized. Our chance to be like the others, when it comes to essential services, is leaving us. We're anxious. We're more vulnerable.

The figures are right there. We don't like that. We're trying to reconcile, we're trying to be very positive, but anxiety has led to fear. We don't know, and then even rumours take on extraordinary proportions. Why are you doing this for the north? Why are you downloading on our small landless villages, unorganized territories, small municipalities that are trying to put two and two together? Don't you find this kind of exercise, where one suit fits all, somewhat shameful? I wouldn't do it to my fellow people.

**Hon Mrs Witmer:** Let me speak to the issue of the north. As you know, our government recognizes the

unique position northern communities are in. We have our minister, Mr Hodgson, with responsibility for the north.

**Mr Pouliot:** But he lives in southern Ontario, doesn't he?

**Hon Mrs Witmer:** You also know that there is a fund that has been set up that provides assistance to people in the north. But let me deal specifically with the public health and with the ambulance. As you know, it was a trade: Education was taken off the local tax and there was tax room. As a result, public health, which is really a local issue, because each public health unit in some ways is autonomous, has an opportunity now to be in a position where they are funded by the municipality, and of course ambulance is the same way. But it isn't the fact that there's going to be additional taxation required, because tax room was freed up to accommodate this trade in responsibilities from one community to another.

**Mr Pouliot:** I'm not going to pursue the matter of the BOT, business occupancy tax, and the 600,000 appeals pending. This is my language — I spent 10 years before this most honourable tenure doing exactly that — and in some cases it does not add up. The room, the opportunity, the latitude given by fewer education dollars has been overtaken by the cost of policing, the added health costs, social assistance etc. It doesn't jibe, it does not add up, so we can expect an increase in taxes. Incidentally, you have 600,000 assessments that are in the works.

I read in the paper the other day, and I was going to ask you but you're so busy in the House —

**The Vice-Chair:** A quick question, Mr Pouliot; your time's up.

**1600**

**Mr Pouliot:** How long will you pick up deficits that are increasing at the hospitals? You're telling them to tighten their belts. They're doing the best they can. They're firing nurses, front-liners, left and right, people are being asked to leave early, there are waiting lists for everything, yet there's still a deficit. Will you take your responsibility seriously — I know you do — and give them the money they need so that they can provide care for Ontarians?

**Hon Mrs Witmer:** That's exactly what we have been doing. We have been meeting with the individual hospital administrators, and certainly there are some in this province today who have deficits, just as there were hospitals that had deficits when your party was in power. Unfortunately, it's a reality.

You met with the individuals; you tried to help the hospitals. We're doing the same thing. In fact, yesterday we made some money available for some of the hospitals. We continue to look at the plans presented to us. We know there's a need for some growth funding in some communities, a need for priority programs and other needs. We're quite prepared to respond to the hospitals and deal with some of these situations, because we certainly can sympathize with the position they find themselves in.

**The Vice-Chair:** We'll move to the government side for questioning.



**Mr Trevor Pettit (Hamilton Mountain):** I'd like to shift the focus a little bit to nurses. I know you have endeavoured to frequently meet with the various nurses' organizations. I have also met, in my riding of Hamilton Mountain — I might add that I appreciate Mr Pouliot's description of the paradise of Lake Nipigon. I know it's beautiful, but I think the true Shangri-La in this province is to be found high atop scintillating Hamilton Mountain and I welcome you to come and see it.

As recently as last Monday I met with the RNAO in my riding, and they had three main concerns that I would appreciate you addressing today: (1) the nursing shortage, (2) the patient safety act, and (3) accountability. It's my understanding that there is a projected shortage of nurses within the next five to 10 years. I am also aware that you have set up a nursing task force. I'm just wondering what the ministry's doing to address the projected nursing shortage or what they will be doing.

**Hon Mrs Witmer:** Within the last eight months, we have had an opportunity to develop a very cooperative relationship with nurses in this province, whether it's ONA or whether it's the RNAO, and it's been the nurses, the registered nurses and the registered practical nurses, as well as the nurse practitioners. It has become very obvious that there is going to be a nursing shortage not only in Ontario but throughout Canada and throughout North America. As we approach the year 2000, it is going to be absolutely essential that we look at ways to address this issue.

One of the reasons for the shortage is the fact that nurses, many of them, are at an age where they will soon be retiring. Also, many of the nurses who have graduated haven't been able to find jobs in their chosen field. Others have left the profession. Also, young people, whether male or female, have not been encouraged to come into the profession because there simply were not a lot of job opportunities. So we need to do what we can. One of the areas that I believe we need to focus on is in the schools. At the elementary and secondary school levels, we need to actively start again to encourage young people to consider a career in nursing. Today, there are so many other job opportunities and career opportunities out there that I think they've forgotten this is a valued profession to be a member of.

In response to the concern that has been expressed to us by the nurses, we have set up what we call a nursing task force. We're going to take a look at this whole issue of nursing supply and, working collaboratively with the nursing profession, we are going to develop some recommendations that will come to the government so we can take some very constructive action to ensure we have the appropriate resources.

Not only do we have the shortage which is looming — if you read the paper this week, I was pleased that this was an issue identified by the Canadian Nurses Association and it was finally acknowledged, about six months after we had acknowledged it here in this province, by the federal government that indeed this was a situation of concern.

But we also have a situation where we need nurses trained in certain specialties. It became clear when the emergency room task force made its report that we didn't have enough people trained in emergency room procedures and in critical care. Our government moved forward very quickly when that issue was identified and we have indicated that we're investing \$1 million to train the critical care and the emergency room nurses.

As I say, we are enjoying a very cooperative relationship with nurses in this province. We have had in excess of 10 meetings with them. We are responding to each and every one of the concerns they've brought to our attention, and it will be the nursing task force that will look at the issue of supply.

**Mr Pettit:** There's no doubt in my mind, from the ladies I met, that they are undoubtedly a very committed and devoted group of professionals who should and need to be listened to, because I think they bring a wealth of knowledge to the table.

One of the other concerns they had that they want to see something done about as soon as possible is the patient safety act. I wonder if you could give us an update as to where that is and where it's going, when you see something along those lines happening.

**Hon Mrs Witmer:** The issue of patient safety is of concern to the groups of nurses I have met with, and we share their concern. We believe it is absolutely essential that we look at drafting legislation which would give some indication to people in the province of the factors in each hospital, factors such as: What is the patient-nurse ratio? What is the death rate, the length of stay? It wouldn't apply just to hospitals; it would apply to some of the long-term-care facilities and perhaps the community services.

We want to make sure that everybody knows what level of care should be provided, what are the standards of care, and we want to ensure that there is accountability within the system. To make sure that happens, we are now taking a look at the legislation that has been developed in the United States. Several states have legislation in place to ensure patient safety and greater accountability. We're taking a look at all that legislation and then we will move forward and draft legislation. We're quite interested in the recommendations for a patient safety act that have been made by the Registered Nurses' Association of Ontario and we will incorporate some of their recommendations into the eventual patient safety act.

Right now, we are doing the scan of other legislation, and that will enable us to have further consultation and then move forward.

**Mr Pettit:** Yesterday you mentioned accountability, and you have again today. Another one of their concerns was fiscal accountability of hospitals. Can you tell us what measures are in place now for fiscal responsibility for hospitals and what, if any, changes or new measures are being contemplated to make them more fiscally accountable?

1610

**Hon Mrs Witmer:** As you know, the Ministry of Health has worked in partnership with the Ontario Hospi-



tal Association and the hospitals in this province to ensure that there is efficiency, that there is elimination of waste and duplication within the system and that hospitals become accountable. In fact, the hospital association itself is considering bringing forward some sort of report card to deal with individual hospitals. It would provide information to the public in terms of some of the statistics that would be of interest to them: length of patient stays etc.

There seems to be a commitment on the part of the hospitals themselves to become more accountable and allow the public to have more insight as to what is actually happening within the hospitals, also the rate of recovery, the length of stay, so people can make some personal decisions.

**Mr Wayne Wettlaufer (Kitchener):** I was reading the newspaper today, the Financial Post, and I was quite interested in an article that was written by Fazil Mihar. He was talking about the four lessons in attracting jobs and investment to the province of Ontario. He drew a comparison between the NDP province of British Columbia and Ontario, and there were some very noteworthy contrasts. We've had a reduction in government spending in Ontario and there's been a tremendous increase in government spending in BC, yet our jobs have gone up dramatically and jobs in BC have gone down dramatically. Tax cuts we've enacted, of course, and in BC they've had tax increases. We've had a reduction in government regulations, and in BC he said government regulation is a growth industry. Then he talked about labour market flexibility etc, how we're flexible and BC is rigid.

Business looks at other factors before it invests in the province and before there can be additional jobs, and health care is one of those very major considerations by business. Obviously, business is impressed with what the government has done thus far, because we've had a net increase of 370,000 new jobs since the government came to power. As I was impressed, I know that business was impressed by what they saw yesterday in your speech to this committee, that we're developing a system offering the highest quality of care possible, a system that capitalizes on the benefits of medical science and technology, a system that's available across the province, a system that's more integrated and a system that's affordable.

I highlighted a couple of other things that you said here. On the second page, you pointed out that we inherited a health system designed for the needs of the 1950s, 1960s and 1970s. There's no doubt about that. Even David MacKinnon, when he spoke to the finance committee pre-budget hearings in February — David MacKinnon is the past president of the Ontario Hospital Association — stated that the so-called crisis we had in health care was as a result of 15 years of mismanagement, I guess I'll call it, and that of course related directly to the 10 lost years of the —

**Mr Pouliot:** Ten lost years, of course.

**Mr Wettlaufer:** Thank you, Mr Pouliot. I'm glad you echo that 10 lost years of the NDP and Liberal administrations.

Business looks at not only the amount of money being spent but whether there are improvements. One of the things right now that businesses are looking at are the improvements in long-term care. The government has announced increases in funding for long-term care. We have an aging population; we have changing demographics, which demand increases in expenditure in long-term care. Business and the citizenry would like to see immediate changes. That's not possible; we know that. It takes time. I was wondering if you could explain to the committee what processes are in place for the RFP.

**Hon Mrs Witmer:** I would concur. If you're going to create jobs in the province, you need to be able to assure the people making the investments, whether it's people living in Ontario already today or people who are considering coming here from Europe or Asia or the United States to create new jobs, that we have a health system that is built on excellence and is able to provide modern, state-of-the-art hospitals with modern technology and up-to-date treatment. One of the other things we know is that we need a continuum of care. Part of the continuum of care is to make sure that as people age, we have the long-term-care facilities in place.

As you've just referred to, we have recently made an investment. We will be building 20,000 additional beds in the province. We'll also be renovating, reconstructing 13,000 of the oldest beds in the province. There needs to be confidence on behalf of those making investments that those types of investments are going to be there so we can respond to these individuals.

When we talk about tenders, RFP, we made the announcement on April 29. We said there are going to be 20,000 new beds built in this province over the next eight years. We then issued the RFP five days later; on May 4, we issued the request for proposal. Announcements had been made in the meantime indicating which community was going to get what number of beds in the first RFP. As you know, there were 6,700 beds identified to be built as a result of the first group of tenders going out on May 4. There were 20 areas in the province that were going to receive these additional beds.

I will tell you, we have been really pleased with the response. There's been a tremendous response on behalf of people in this province. We've had indications from the not-for-profit sector, from the private sector. They're interested in constructing these new beds to ensure that we can have them up and running. By the year 2000, we'll see the first of these beds.

The process is well under way. Our staff will review all of the proposals this summer, and then we hope to identify who will be allocated the new beds and construction can start. We have in place a team at the Ministry of Health, because we know we need to facilitate this process, who can deal with this more quickly than we normally do because we want to make sure we get these beds built as fast as we possibly can.

That's the first 6,700 beds. Subsequent calls for proposals will be occurring over the next 24 to 36 months, because we know there are some groups in this province

who would like to build beds but simply weren't ready for the first round and didn't have their proposals ready. People have an opportunity now to prepare for the second and third calls. We hope to call for another 3,500 beds in April 1999.

We're very pleased. The HSRC has recommended 16,900 new beds by the year 2003. We're indicating that we're prepared to have 20,000 new beds up and running by the year 2006 because we believe there's a need for some continuity and people need to know that the beds are going to be there when necessary.

1620

**The Vice-Chair:** We'll move over to the official opposition.

**Mr John C. Cleary (Cornwall):** Minister, I want to talk a little bit about PSA testing. You are aware that prostate cancer is the second most common cancer diagnosed in men. In fact, one study says that prostate cancer is the leading cause of death of men aged 75 and over. It's clear that prostate cancer is a very serious issue and I am being told by residents of Ontario that you're not handling the situation very well.

Ontario residents are telling me that the PSA test, a blood test that measures levels of PSA protein released from the prostate gland, can provide a much earlier indication of prostate cancer than the traditional digital rectal examination. I would like to confirm if your ministry research validates this suggestion. I would also like to know if and when you might add PSA testing to the formulary of OHIP covered by health care services.

**Hon Mrs Witmer:** This is an issue that has been brought to my attention before and I appreciate the question today. Hopefully, I can give you some information that will help you to understand why certain decisions have been made.

The PSA test used for screening for prostate cancer, as you have just indicated, is not an insured service under OHIP. However, the test is available in hospitals as a treatment and a follow-up. When it is used in hospitals as a treatment and a follow-up, then the hospitals do cover this test within their laboratory budgets. Recently, we did circulate a memorandum to all of the hospitals reminding them that if there were patients with known or suspected prostate problems, they should not be charged for the PSA test, that it needed to be absorbed.

The reason for the decision not to cover it under OHIP is based on the recommendations of an expert panel. That expert panel, in 1994 — and it was a panel that was commissioned by the ministry as a result of an initiative taken by the previous government — recommended that the ministry not insure PSA testing for screening. That's the differential. But they did recommend that it should be funded for selective diagnostic purposes to monitor the progression of known prostate cancer and to follow the progress of patients who have been treated for prostate cancer.

In 1997 the ministry sponsored a committee that reviewed the recent literature and developed a guideline for the appropriate use of PSA testing. We wanted to take a

look again to see if indeed the recommendation might change regarding the screening. Again, the guideline, after the committee did the review in 1997, continued to support the 1994 recommendations.

We're not alone. British Columbia, Saskatchewan and Alberta, and recently Québec, all recommend against the use of PSA in screening, but they do pay for treatment. Other health agencies that do not support the use of PSA testing in screening include the Canadian task force on periodic examination, the Canadian Cancer Society and — and I think this is important — the Canadian Urological Association.

The Institute for Clinical Evaluative Sciences, ICES, as you know, is currently rewriting educational leaflets this spring for physicians and the public based on input they received from focus groups in Stratford, Mississauga and Thunder Bay. As a result, the ministry's draft policy will again be reviewed following the development of the ICES evaluation tool.

That's where we are today, Mr Cleary. We are at a point where we again will review the draft policy.

**Mr Cleary:** I would also like to request an update on neoadjuvant therapy or other hormonal treatments available for treatment of prostate cancer.

**Hon Mrs Witmer:** I'm very sorry. I couldn't hear.

**Mr Cleary:** It's neoadjuvant, according to the papers.

**Hon Mrs Witmer:** You would like some information?

**Mr Cleary:** Yes, on neoadjuvant treatment or other hormonal treatments available for the treatment of prostate cancer.

**Hon Mrs Witmer:** We'll certainly make that information available to you.

**Mr Cleary:** One other thing I'd like to speak about a little bit is the April 24, 1996, announcement to provide dialysis facilities in Cornwall. Months and months have gone by. We've changed ministers and everything else that went along with it. I see in this document that you had a lot of fanfare on providing the 400 patients who live in rural areas with dialysis. I am told that all the legal proceedings are behind us now.

The people in my community are still travelling two or three times a week to Toronto and Kingston. I think it's time we had an update because they went through true hell in the ice storm. It was a matter of life or death. In fact, some of them didn't go and they're not with us any more.

**Hon Mrs Witmer:** I appreciate that you and I have talked about dialysis. As you know, it certainly was our intention to ensure that people in your community and in other communities have access to dialysis. Our government is very committed to bringing services as close to home for individuals as we possibly can in order that they don't need to travel and they don't have that additional stress when they're undergoing treatment. Also, with the aging population, we recognize there is a greater need for dialysis. I wonder if you would consider standing that question down. I think I said to you I will have good news for you.

**Mr Cleary:** I'll take your word for it, but if not, I'll be back.



**Hon Mrs Witmer:** It's okay. I told you that I would, and I will.

**Mr Gerard Kennedy (York South):** Minister, I'd like to talk to you about some of the issues I raised in my remarks yesterday, specifically around whether or not your government is being straight with the people of Ontario around health spending. For a number of years now there have been items included with the operating budget which, to put it mildly, at least look and seem as if they really belong noted elsewhere. They're being used, as you have in the last few days, to promote the idea that spending is up by \$1 billion. The inference in that is that somehow people are having access to that money for patient care.

I'd like to draw your attention to some of the items that have been in the budget; specifically, for example, the moneys relating to population health. In the budget this year, and in estimates, there is a full amount of money put in for emergency services, some \$309 million. I'd like to ask you later on why those estimates have changed.

Is it not true that a very large amount of that money, at least some \$206 million, is actually going to be recovered from the municipalities that will be charged for that service, and that will be recovered by the Ministry of Finance as part of the download exercise? Therefore, in fact, those services are going to be paid for by those municipalities. I wonder if you would tell us if that is indeed the case.

**Hon Mrs Witmer:** Could you refer us to the page so that we're all talking about the same numbers.

1630

**Mr Kennedy:** Sure, I'd be happy to do that. Under population health, emergency health services, on page 136.

**The Vice-Chair:** Page 136, everyone.

**Mr Kennedy:** There it's indicated that the province is providing in financing \$309 million next year and \$327 million in the year just finished for emergency services, for ambulances, yet that is now a downloaded service; that is, a service that has been imposed upon municipalities as part of the so-called swap of services. I wonder if you can comment on why that would be seen by the people of Ontario as a genuine health expense when in fact municipalities are paying for a good part of it.

**Hon Mrs Witmer:** I'm going to ask Kathy Bouey to respond specifically to that question.

**The Vice-Chair:** Welcome, Kathy.

**Ms Kathy Bouey:** Kathy Bouey from the Ministry of Health. It is true that these amounts are being recovered from municipalities. We have to have the spending authority so that we can still pay for the services that are being provided. They are then recovered as part of a more general pool, as part of the overall local services realignment. In terms of the level of service provided to people in Ontario, basically it's an apples-to-apples comparison at this point, because there is still that amount of ambulance service being provided in the year.

**Mr Kennedy:** But from the standpoint of services financed by the province of Ontario, because we're being asked to look at this as something we're paying for, is it

accurate to say that \$206 million of this is being recovered from municipalities on a charge basis?

**Ms Bouey:** I believe actually the amount is slightly lower than that now, because the city of Toronto decided to take over the delivery of its own ambulance services early, and we agreed to do that. I don't have the number handy. I can get it for you. I think it's a bit lower than the original amount that was contemplated, but the principle is correct.

**Mr Kennedy:** I'm referring to the number that appears in the budget papers.

**Ms Bouey:** Yes.

**Mr Kennedy:** Those aren't services, at least that portion of it, paid for by the province any more.

**Ms Bouey:** To be clear, right now we're paying, but we are also getting money back in billings from municipalities, or will. They haven't actually paid us for that amount yet.

**Mr Kennedy:** So there's \$206 million here that we should really understand is being billed to the municipality and not being a net cost, at least, to the province.

**Ms Bouey:** We will get you the actual amount, because it is no longer \$206 million.

**Mr Kennedy:** In the budget there was a working capital to hospitals referred to. It talked to it as being a restructuring cost, a lack of cash flow on the part of hospitals of some \$47 million due to restructuring. I understand that this is appearing in their operating for hospitals. I wonder if you could explain why that isn't part of the restructuring fund. Is it money that hospitals can keep? How is it determined? Which hospitals receive that fund?

**Ms Bouey:** I wonder if I could refer that question to Ron Sapsford, who is more closely involved with that piece of it.

**The Vice-Chair:** Ron, do you want to come up here, please.

**Mr Ron Sapsford:** Ron Sapsford, Ministry of Health.

**Mr Kennedy:** I had asked for some information about it yesterday, so I hope Mr Sapsford may have it today. This is in connection with the \$47 million related in the budget as an in-year cost. It's referenced as cash flow deficiency for hospitals. I think you know what it is. I wonder if you could explain what it was for, and why, if it's referenced to restructuring, it doesn't appear under that budget line.

**Mr Sapsford:** This was an assessment done towards the end of last year and, in our business plan, a request put forward, and it shows in the estimates as \$47 million. There were a number of hospitals that had working capital problems. Some of them argued that, because of the transitional period they were in, before savings could be realized there were transitional issues with cash flow. This \$47 million is a one-time cash payment in recognition of working capital issues. The minister reviewed a number of hospital operating positions, a series of criteria were applied, and the result was this \$47-million fund, which is a one-time payment.

**Mr Kennedy:** Is the reference in the budget papers accurate? Is this related to restructuring? For example, I'm



aware that Women's College applied for such funds because they originally entered into a partnership with Wellesley. I don't know if they were one of the successful applicants, but that was a situation where they invested a lot of money in a partnership that then wasn't approved. They needed funds, cash flow but actual real money, because they'd spent so much money on the partnership. Is that an example of what this \$47 million went for?

**Mr Sapsford:** I can't tell you specifically whether Women's College was part of that particular payment.

**Mr Kennedy:** Can you tell us which hospitals were, which hospitals received the \$47 million?

**Mr Sapsford:** I could get that for you.

**Mr Kennedy:** Thank you. The other part I'd like to ask about is the amount of money that hospitals were made to pay when they restructured. Last year, the minister made an announcement of \$154 million. At the media conference, she said — and, Minister, please contradict me if there's any change in this — that 75% of that money was for firing nurses and firing other health professionals. That \$154 million was those restructuring costs and it was for the 1996-97 fiscal year, yet the hospitals were made to pay 15% of that, which would be about \$23 million that they had to come up with on their own. I just want to know if that is accurate. Is that correct? When we look at this year's estimates and we see \$245 million, again for restructuring costs, laying off nurses and so on — and I know that's to pay last year's costs — does that 85% rule again apply?

**Mr Sapsford:** I have available a breakdown of the \$154 million. We're still producing the response to your question on the current estimate, which we'll be able to provide to you.

On the question of the 15%, it is in fact an accurate reflection. The ministry will reimburse the hospitals 85% of the allowable restructuring costs as submitted. That's based on the premise that the ministry funds roughly 85% of hospital budgets; the other 15% of the revenue coming from other sources, some of it being OHIP, workers' compensation, semiprivate and private accommodation charges, as well as other out-of-province, uninsured services and uninsured residents. The allocation is based on the share of the budget that the ministry currently funds.

**Mr Kennedy:** I understand that, but they can't charge someone for that. Those aren't services they are providing. They're one-time restructuring costs. I understand that you approve them on an itemized basis, so you have to see the receipts, basically, before they get reimbursed, something along those lines.

**Mr Sapsford:** They have to be expended costs; they're not estimates or accruals.

**Mr Kennedy:** Right. So they have to find that 15% from other revenues somewhere else. They have to pick that up.

**Mr Sapsford:** That's correct.

**The Vice-Chair:** We'll move on now. Are you going to be taking it or are we going to move to the government?

**Mr Pouliot:** I seek unanimous consent, and certainly the indulgence of the Progressive Conservative members,

to waive our time. We could pick up on the rotation after they exhaust or use their 20 minutes, because M. Bisson, my colleague, was to address the minister.

**The Vice-Chair:** It has been agreed to already.

**Mr Young:** Minister, the federal Minister of Health, Minister Rock, was in Oakville last week, and he made a comment that health care in Canada was tantamount to a right of citizenship. The federal government has now reduced funding to Ontario by \$2.7 billion, and Canada-wide from \$18 billion down to \$12 billion. Yet you and the previous Minister of Health and our government have increased health care spending. I wonder if you could comment on what the variables are that are driving up the costs of health care not just in Ontario but Canada-wide, what the big struggles are at the Ministry of Health.

**1640**

**Hon Mrs Witmer:** All of the governments across Canada are experiencing increased stresses on their health budgets. In fact, part of the reason I was late here today is because I was talking to my colleagues on an issue of national importance. But certainly there are stresses and there are additional expenditures.

Much of it relates to the fact that we do have a growing population, but more significantly, we have a very rapidly aging population. As I've indicated on many occasions, if we just take a look at Ontario, from 1996 to 2006, the number of people over the age of 75 is going to increase by about 35%. Of course, those people obviously use the system more than people who are of a younger age, so the costs are increasing as the age of the population is getting older.

We've been very disappointed because despite the urging of all the provinces and the territories, the federal government has refused to make more money available. It's kind of interesting, because the federal health minister, Allan Rock, did say in a speech to the CMA on August 20, 1997:

"I am part of the problem, not the solution. It was my government that diminished the size of transfer payments. I will not stand here and tell you that the cuts in transfer payments were insignificant. They were not. And I won't tell you that they have not had an impact. They have." That is indeed the case.

We have new technology; it's expensive. There's new treatment, the new drugs. Two of the areas where we have seen the greatest increase in expenditures in not only this province but again across Canada are in the areas of drugs and lab services. Despite the pleas of the provinces to the federal government that they need to restore the transfer payments that they have removed, they have, as you know, been immovable. In fact, the Prime Minister has even indicated there is enough money in the health budget.

In this province, we have carefully taken a look at expenditures, but we recognize that if we're to respond to the needs of this population, if we're to ensure that high-quality patient services are maintained — we have increased health funding, as you know, from \$17.4 billion in 1995 to \$18.5 billion this year. So certainly expenses are increasing, the population is getting older, and we hope

that some day Mr Rock will try to be part of the solution, as opposed to the problem.

**Mr Young:** There have been comments in the House a number of times about the number of actual nursing jobs in Ontario. I understand that in the NDP years there were thousands of nurses laid off.

There's a great transition happening in the nursing profession. There was a question the other day about the actual number of jobs versus the actual number of members in the registered nurses' association etc. Can you please tell me what the difference is and what the reality is with regard to the number of jobs and nurses who are active versus inactive in the profession?

**Hon Mrs Witmer:** Statistics have been supplied to us, and I guess the reality is that there are nurses who are active and who are still practising; there are nurses who are active and are members of the Ontario Nurses' Association. But of course there are other nurses who are not members of the Ontario Nurses' Association. So the reality is that as changes have been made and there has been a shift of jobs and people have moved to other positions, part of the number that gets tossed about is not actually a decline in the number of nurses in the province but a fact that some of the nurses are no longer members of the Ontario Nurses' Association.

On the number of registered nurses per 1000 population, I'll just give you these figures: In 1994 we had 7.4 registered nurses per 1000 population; in 1997 we have 6.9. What we've actually seen is that the per capita under the NDP, from the years 1993 to 1995, there was a decrease of 8.9%, and under our government it's been 2.8%.

**Mr Young:** Could you comment on the number of new jobs that will be created in the long-term-care plan, the eight-year plan you talked about?

**Hon Mrs Witmer:** As I've said, we've talked about the fact that there will be a tremendous number of new positions created in the area of long-term care and community services. There are going to be approximately 7,900 new jobs created. If you take a look at the other changes in this province, if you take a look at the fact that in our budget we indicated we were prepared to spend \$5 million to support the newest class of nurses, the nurse practitioners, again, there is going to be increased opportunity for nurses throughout Ontario.

What we're really seeing is a shift away from the hospitals. Nurses now have more opportunities than ever before to work in primary care, to work in the long-term-care facilities, to work in the community service area. That's the change that's taking place. There are more and more opportunities when they look at where and what type of nursing they want to provide.

**Mr Young:** The Oakville-Trafalgar Memorial Hospital has put forward a proposal for what I guess would be a pilot program — I don't think it's been done before in Ontario, although it has been in other jurisdictions — called PACE. PACE is an acronym that stands for "program for all-inclusive care for the elderly." What it essentially means is that a number of patients would be committed to a medical team — doctor, nurses, physio-

therapists. It would also include volunteers in some cases. There would be a wellness centre. They would operate their own budget, and those patients would receive all their care out of the same budget. They would receive care in their home, where they're near their family and their neighbours and friends and pets and garden and favourite household items.

The savings in the program would be from ongoing care and preventive care, but as well on the shelter component, so someone is living in their own home. Apparently in one jurisdiction in California they saved 10% to 15% because you don't have to pay for the building. The doctor would come to the patient's home or the patient would come to the wellness centre, and the nurses, the physiotherapists, sometimes family members, volunteers. In some cases, it even allows a patient to die with dignity in their own home, so there's palliative care available as well.

I wondered if your ministry is considering allowing a pilot of a model program like that and what your view on something like that would be.

**Hon Mrs Witmer:** This would be in Halton?

**Mr Young:** Yes, Oakville.

**Hon Mrs Witmer:** Actually, I've just recently been made aware of the PACE program and also the fact that Halton has indicated an interest in being a pilot. I think it was just within the last couple of days, actually. I think we need to look at these types of opportunities in order to be sure we can provide the best service to people within their own homes, within their own communities. We are going to be considering whether we should be piloting that. As I say, there is some merit in doing so.

1650

**Mr Wettlaufer:** Minister, you're quite aware of my longstanding interest in health care, especially in my riding of Kitchener. I do have to interject here, in my own comments, that when there was the fear of one of our hospitals closing in my riding, the Liberal health critic, Mr Kennedy, came down and tried to make a lot of political hay, but of course the HSRC report came out and not only recommended that the hospital stay open but expand its services. When the hospital organizing committee wanted to organize a very large thank-you march, he was nowhere to be seen. There was a lot of speculation there on why he had come in the first instance.

But the thing I'm most interested in is a comment that he made yesterday on the operating expenses of the ministry. He tried to show that the operating payments had actually decreased. I notice here in the public accounts — this is on page 12 of the estimates book — that the 1996-97 actual expenditures were \$17.9 billion, and that institutional health formed fully 42.9% of those expenditures.

If I go on a little bit further, to page 71, I notice under reinvestments into hospitals and related facilities that there's an increase in the blood program of \$34.4 million; in emergency rooms/hospital transitional beds, there's an increase of \$35 million; hospitals funding, an increase of \$46.6 million; medical equipment renewal, \$230 million. The previous page, page 70, shows an actual increase in



operation of related facilities to hospitals of \$425 million; further, on page 75, reinvestments into hospital restructuring: operating expenses, \$27.4 million; renovations, \$283.8 million. These are tremendous expenditures which I believe reflect the changing needs of health care in the 1990s and into the new millennium. I wonder if you could comment on that, please.

**Hon Mrs Witmer:** I certainly will, Mr Wettlaufer. Just going back to the situation that you began with, the local hospital, we need to remember that it was never our government that had indicated any hospital was going to close; it was a decision that seemed to be and had been made by the local community. But certainly, as you have just indicated, the commission did come to town and has issued interim directives which indicate that this particular community does need some additional services.

I think you've accurately pointed out what we know to be the case. When we were elected, we recognized that our hospitals were at a point where they didn't have the modern technology, the treatment, the state-of-the-art facilities and the appropriate space to deal with the reality of the needs of people today. For example, many of the hospitals didn't have the emergency rooms of a size and construction that were needed to accommodate the growing population. There's more need for ambulatory care centres.

We have ensured, as we took a look at the hospitals, the commission took a look at the hospitals, that we have identified areas that are needed by people today. We've also, as you know, made sure that as we make these changes to hospitals, we try to bring services closer to people's homes. We've had mergers and we've had amalgamations and then sometimes there have been recommendations for closure. This has all been done with the intention of ensuring that we can have facilities that are modern, that are state of the art, that have the new technology, and also that are going to bring the services closer to home.

A good example of that is today when I made the announcement in Toronto that the province was going to be spending \$186.1 million on capital investment in this city. Part of what happened today is, we were moving some of the services, such as the neonatal and the mental health services, out of the city core and into the communities and parts of Toronto where they haven't had these services. It really is based on ensuring that we have as equal access as possible to the hospital services throughout the province.

As you've just indicated, we have looked at what's needed, we've reinvested all the money we've saved into priority programs, and certainly we continue to meet the demands of people in this province. We've invested in priority programs like cancer care, cardiac care, hip and knee, and dialysis. Again, we brought those programs closer to people's homes. There are 20 communities that have seen expanded and new dialysis services. We are tripling the number of MRIs in this province. So we are certainly ensuring that people have the services, the programs, the technology that's needed, and we're endeavoring

to bring that as close to their home communities as we possibly can.

**Mr Young:** How much time do we have?

**The Vice-Chair:** You have three minutes left. Do you want to ask one quick question, Mr Young?

**Mr Young:** I want to ask a three-minute question.

**The Vice-Chair:** You've got it. That's a quick question for you, Terence.

**Mr Young:** Minister, in talking to the doctors in my riding, on a Friday afternoon in the emergency room at Oakville-Trafalgar the doctors are very busy, and because doctors get paid on a fee for service, they make money that is worth their time to do it. I took my daughter there with a sprained ankle a few months ago and I saw how busy they are, and they do a great job. But in other situations, when a hospital emergency room is not busy, fee for service may not make sense, because you have a doctor sitting there not earning any income at all. I think this is part of the problem with regard to emergency rooms: How do you staff them for peak hours?

Do you think there might be savings available by paying doctors in emergency rooms on salary, and under what conditions might that work? Where I'm leading with this is, how can we staff emergency rooms so that doctors are happy to be there and so that the patients get service when they need it?

**Hon Mrs Witmer:** That's a difficult question, because you're right; sometimes the emergency rooms are busy, and you never know when they're going to be, and sometimes obviously there isn't that much need.

We actually have set up at the ministry — and it's an outcome of the last round of negotiations with the physicians — a physicians' services committee. One of the areas that is presently being looked at is, how do you compensate physicians? Certainly physicians are indicating that they're amenable to looking at other methods of payment. As you know, with the new primary care pilot program that we've set up across the province, five of them, there is an opportunity for people to be paid on what's called a reformed fee for service, or capitation. We're looking at that issue. It's one of the areas where we want to get input. If there's a better way to compensate, we're prepared to take a look at that. As I say, that committee is working extremely well. We're now seeing a tremendous amount of cooperation.

**The Vice-Chair:** We'll return to the third party for their 20 minutes.

**Mr Gilles Bisson (Cochrane South):** I apologize. I had to go out and do an interview in the midst of this.

I'd like to get to vote 1402-1, if you wouldn't mind, in the estimates book at page 7. My question is, this year, when we look at the line "Operation of Related Facilities," you have for the 1998-99 estimates \$802,795,000. I just want to understand what exactly that's for. Is that for long-term-care facilities or is that for related health care facilities like community care centres etc? I just want to know what institutions.

**Hon Mrs Witmer:** You're on page 7?

**Mr Bisson:** Page 70.



1700

**Hon Mrs Witmer:** Oh, 70. No wonder I couldn't see any numbers.

**Mr Bisson:** Vote 1402-1. When you look at operating —

**The Vice-Chair:** Under "Transfer payments"?

**Mr Bisson:** Yes, second line item, "Operation of Related Facilities," \$802 million. What facilities are we referring to?

**Hon Mrs Witmer:** I'm going to ask Mr Ron Sapsford.

**The Vice-Chair:** Welcome back, Mr Sapsford.

**Mr Bisson:** I don't need a lot of detail; I just want to know what it is. I'm sure you can kill 20 minutes on that.

**Mr Sapsford:** Related facilities include private hospitals; Cancer Care Ontario, which provides regional cancer services —

**Mr Bisson:** Would it include any long-term-care dollars at all?

**Mr Sapsford:** No.

**Mr Bisson:** It's strictly hospitals and related facilities.

**Mr Sapsford:** Related, yes. The blood for Red Cross blood programs is included in that vote.

**Mr Bisson:** I notice in there that there's an increase over last year of \$424 million. I'm trying to figure out what that's for, again not in great detail but ballpark. Over last year, there's an increase of \$424 million.

**Mr Sapsford:** Yes, the largest portion — this is the vote which includes the medical equipment renewal program at \$230 million.

**Mr Bisson:** That's what I thought it was.

**Mr Sapsford:** The other large piece of that would be the \$113 million estimated for the settlement of the hepatitis C compensation.

**Mr Bisson:** Does that include any of the money for the computer virus? Is it virus stuff for the year 2000?

**Mr Sapsford:** That would be part of the medical equipment renewal, yes, the \$230 million.

**Mr Bisson:** If I understand, the \$230 million would include all the money needed to be spent to get over the 2000 bug.

**Mr Sapsford:** That's correct.

**Mr Bisson:** Then just back up here to "Operation of Hospitals." When we look at the total amount of money voted on estimates this year, \$6.8 billion, and compare that to last year and the year before it's an overall reduction. If I've been doing my math right, we're looking at a 1996 to 1998 difference of about \$587 million. What I want to ask here is, when we look at hospital deficits across the province, is there a total figure of how much all those hospital deficits would come up to?

**Mr Sapsford:** We're looking at the current year's operating plans, where hospitals are putting forward their financial positions. We've not yet completed that analysis. Generally speaking, what is put forward as a deficit position ameliorates over the year as some of these expenditures are made and as hospitals move to balance their budgets.

**Mr Bisson:** What I would like to ask for, if at all possible, and give me a sense if you can provide this, is a list

of what hospitals are operating off operating deficits and, ballpark, how much they are. Can you provide that information? I know you can't do it today, but is that something you can provide for us? How many are there? Some 170-odd, you said, Minister?

**Hon Mrs Witmer:** In the province?

**Mr Bisson:** Yes. Hospitals that are running deficits currently.

**Hon Mrs Witmer:** I didn't say.

**Mr Bisson:** I thought you had mentioned a figure before.

**Hon Mrs Witmer:** No, I didn't.

**Mr Bisson:** I misunderstood then.

**The Vice-Chair:** Is it possible, though, Mr Sapsford, to get a list of that?

**Mr Bisson:** I'll tell you why I'm asking if it's available. Often, if we don't get some kind of commitment on the record, you forget to provide us with the information once your estimate is done, so I want to get a commitment, if that information's available and if you're willing to provide it. Could you get that kind of information?

**Mr Sapsford:** We have information as to what the hospitals have submitted. Whether the ministry agrees with those estimates, based on our estimates here and what the hospitals understand at the time of their submission of operating plans, these are two different issues.

**Mr Bisson:** But I'd like to be able, before the end of our estimates, to get a sense of how big the hospital deficits are. Without getting into a large debate about this, the government has a choice as to what extent it's willing or not willing to fund those deficits.

I think we all understand it's not a question of hospitals not running their budgets well; it's a question that there's an increased demand on services for all kinds of reasons, and with that increased demand you're going to see deficits increase. Some governments have chosen to fund that; others have not. We're just trying to get a bit of a sense of how many hospitals are running deficits, how much that it is and where they are. Do you think you can provide us with that?

**Mr Sapsford:** I could provide some information.

**Mr Bisson:** Do you have any sense of when? Is there a chance next week? Before next week? If you could provide that to my office, that would be greatly appreciated.

There was another question around hospitals — it will probably come back to me in a second, but in no particular order. I'm interested in a comment you made. There was a person responsible for the drug program — I'd like to have a question. The minister made a comment, that you can account for copayments. That really intrigued me. I'm trying to figure out on estimates committee how we're going to account for the copayments or the user fees. How was that accounted for? I need some specifics, if I can have the deputy deputy come up and if you could tell your name, title and all that.

**Ms Linda Tennant:** I'm Linda Tennant and I'm with the drug programs branch.

**Mr Bisson:** My specific question is, is there a way of getting a handle on how much money is generated by the

user fee or the copayment? How much is generated in total and how do you account for it?

**Ms Tennant:** For the majority of it, there is a way that's supported through our health network, the computerized system, to calculate the deductible for seniors so that ODB benefits can kick in. Once they reach the \$100 deductible, the computer records the first \$100.

**Mr Bisson:** How do you account for that amount of money? Because, obviously, there is a saving to the system, having a user fee. It means the state does not have to pay out as much. I'm just trying to get a sense of how much that comes up to.

**Ms Tennant:** We will have the data for the minister tomorrow.

**Mr Bisson:** You can provide it? Okay.

**Hon Mrs Witmer:** Next week.

**Mr Bisson:** Yes, tomorrow's Friday. It's good that the minister's on the ball. Can you also provide that information to my office?

**The Vice-Chair:** They will be providing it to the committee, Mr Bisson.

**Mr Bisson:** Yes, I realize that. But specifically, I'm looking for how much of a saving the government gets. I know there's a cost associated with that, but I'm looking for the total amount of money that is generated through the user fee and how it's accounted. I imagine the way you account for it, in rough terms, is that if you had \$1 billion of expenses, as far as people utilizing the drug program, there's, I don't know, \$100,000 generated by it. It would mean to say you spend that much less. I want to see how we account for that within our estimates. That's the only question I had of you.

I would like to then get into the long-term-care issue, whoever is responsible for long-term care.

**Ms Lang:** We'll ask Geoff Quirt to come up.

**Mr Bisson:** We know Geoff quite well. We've had an opportunity to deal with Geoff.

Chair, can you tell me when I've got five minutes left? I don't have a watch.

**The Vice-Chair:** Absolutely. No problem. Welcome, Geoff. Could you read your name into the record, please.

**Mr Geoffrey Quirt:** I'm Geoff Quirt from the Ministry of Health.

**Mr Bisson:** My question is in regard to the announcement made by the government, the investment of dollars into the long-term-care system. In no particular order, my first question is, we're saying that we're going to spend \$1.2 billion, I believe it is, over the next eight years. How much of that money do you expect to spend within the next two years? How much of that is upfront money within the next two years? Do you have any idea?

**Mr Quirt:** Yes. The \$1.2-billion investment in long-term-care services includes roughly \$600 million for long-term-care facilities and \$550 million for community services. Over the next two years we expect to spend somewhere in the area of \$150 million on community services, and the cost of roughly 2,500 beds would be in the budget for 2000-01.

**Mr Bisson:** What would be the cost of 2,500 beds from that \$600 million? How much of that would be spent, ballpark?

**Mr Quirt:** I can provide you with that specific figure later.

**Mr Bisson:** If you can provide us with that, that would be good.

The other question is, obviously to staff these facilities we're going to have to hire some people etc. One of the questions I've had from nurses in my riding, as well as from their central association, is, is most of that going to be full-time or is the government looking at adopting a policy that the RPNs and RNs are going to be on a part-time basis? How much of that is full-time? Do you have any idea?

1710

**Mr Quirt:** On average, in a long-term-care facility roughly half the staff are full-time employees and the other half of the staff are part-time employees. We expect the same kind of ratio will apply in the new facilities that are open. In total, we expect 27,500 new full-time positions created as a result of this \$1.2-billion investment.

**Mr Bisson:** Over the eight years.

**Mr Quirt:** That's right.

**Mr Bisson:** Of that, we know about 7,900 or 8,000 of those are RNs, and you're saying about half of those will be full-time and the other half would be part-time or casual.

**Mr Quirt:** We're estimating the split between full-time and part-time employees to be roughly the same as is the case now in the long-term-care facility sector. The 7,900 jobs includes RNs and RPNs.

**Mr Bisson:** Oh, that's both RPNs and RNs? I thought it was just RNs. All right. I stand corrected.

Of the 2,500 beds that would be created, is there a predisposition by the government that most of those beds will be created in the private sector versus the public sector?

**Mr Quirt:** No, there's a predisposition to make sure that the highest-quality proposals are picked, regardless of who the sponsor is.

**Mr Bisson:** We all know those words. What I'm looking for is, we know, for example, in the long-term-care community care system the government has adopted a policy that says they want to transfer a lot of the community care that's given as far as nursing from the public sector to private companies like Olsten and others. I think the figure is 80% this year and next year, whatever it is.

My question is, are you going to be following the same kind of direction when it comes to the creating of new institutional beds? Would you do as we would do, which would be the creation of new institutional beds within existing public facilities or new public facilities, or are you looking at creating new beds within new private facilities?

**Mr Quirt:** As you know, of the 57,000 beds that are now in operation in Ontario, roughly half of them are run by private sector companies and they meet the same standards that everybody else does. There's no position taken



by the government as to what percentage of the new beds would be brought on —

**Mr Bisson:** So you're saying there's no policy. The minister or cabinet have not developed a policy saying, "We're going to earmark most of this to the private sector."

**Mr Quirt:** No, they have not. They've adopted a policy to review the proposals and pick the best ones for the best-quality service for the residents.

**Mr Bisson:** Is it a predisposition to create new institutions or to add to existing institutions?

**Mr Quirt:** There's no predisposition one way or the other. Certainly, the proposals that would come in would propose both brand-new facilities and additions to existing ones.

**Mr Bisson:** So if you were an existing public sector facility, let's say in North Bay or Timmins or wherever it might be, and there's a need within your community that has been demonstrated, that existing public facility can make an application whatever way the process is going to be established.

**Mr Quirt:** Yes. In 20 communities across Ontario, as the minister pointed out, we've called for proposals, for a total of 6,700 beds in the first round. We've had a very high degree of interest in that proposal call. Over 6,000 proposal packages have been sent out and over 1,800 people have attended the 20 information meetings that the long-term-care division has called around the province. So we're expecting a high number of proposals to choose from and, as a result, we hope there will be some very high quality proposals that we can select.

I just might clarify for the record one of the statements that you made. You implied that it is policy to shift volume in the community service system to the for-profit sector. There is no such policy. There's a policy to require CCACs to pick the highest-quality, best-priced proposals —

**Mr Bisson:** Listen, we're not going to get into a debate, but the net effect is that when you talk to the people who are in the system now, there's a predisposition to go to the private sector. I'm being told that both by the CCAC boards and by the existing people who were there already. But we're not going to get into that debate.

The other question I have is around —

**Hon Mrs Witmer:** Mr Chair, I just want to correct the record, because I think it's important that we do clarify this point. First of all, private companies have delivered home care in this province since the early 1970s. In fact, when the NDP left power in 1995, 50% of all publicly funded homemaking services were being provided by the for-profit agencies.

**Mr Bisson:** Yes, and our government had made a decision to transfer them over to the public sector.

**Hon Mrs Witmer:** I just want to indicate to you that as the CCACs award their contracts, they're doing so on the highest quality for the best price. The reality is if we take a look at what's happening, we actually see that Ontario has not lost a single existing provider of community services. Whether they're not-for-profit or for-profit,

we've actually gained new providers in the province, and certainly that benefits Ontario's citizens.

**The Vice-Chair:** You have five minutes left in total, Mr Bisson.

**Mr Bisson:** I had a number of other questions, but my colleague has a question.

**The Vice-Chair:** Mr Pouliot?

**Mr Bisson:** Just one second, before you go. Our government had made a policy decision, as you're well aware, Minister, that in the community care system we were moving to the public sector, because we had a predisposition that that service was best delivered through the public sector. Your government has reversed that and you're going in the opposite direction.

**Mr Young:** You mean the union directed the policy.

**Mr Bisson:** There are unions in the private sector. There's a higher degree of unionization in the private sector.

**The Vice-Chair:** Mr Pouliot has the floor.

**Mr Bisson:** Is there something wrong with unions or people who organize, Terence?

**The Vice-Chair:** Mr Bisson, please.

**Mr Bisson:** I've never seen such a bunch of —

**The Vice-Chair:** Mr Bisson.

**Mr Pouliot:** I appreciate the expertise that surrounds you, Minister. People are so involved sometimes. Well, it's me; I don't always listen meticulously. My understanding of the process and its nuances is that the implementation of policies is best left with people working with the ministry, and the spelling out of policies, the philosophy, is always best left with the political officials. But I'm not going to get into this.

Minister, we have more people, an aging population, ongoing challenges, the largest ministry, simply more to be done in terms of the Ministry of Health, right?

**Hon Mrs Witmer:** If you say so.

**The Vice-Chair:** That's a compliment, Mr Pouliot.

**Mr Pouliot:** Yes, but the question is — and I'm really in no rush — the total number of employees, in 1995, 1996, 1997, 1998 and your estimate for 1999, with the Ministry of Health, would that be available? I'm talking about FTEs, full-time equivalents. How many people worked for the Ministry of Health in 1995, 1996, 1997, 1998?

**Hon Mrs Witmer:** Yes, we can get that information for you. That certainly would be available. In fact, is it available today?

**Ms Bouey:** No, I don't have that with me.

**Hon Mrs Witmer:** We'll get that, Mr Pouliot. That's not a problem. We're very proud of the staff at the Ministry of Health.

**Mr Pouliot:** You have every right to be. In terms of hospitals, can I have the same numbers? How many employees, full-time equivalents, for 1995, 1996, 1997, 1998 and how many will there be in 1999?

**Hon Mrs Witmer:** We'll certainly endeavour to get that information as well.

**Mr Pouliot:** I have a difficult question. It has been on my mind and I need your help. I value ethics and at times

good manners, decorum, but I read in the paper the other day a comment by the Premier of the province. It concerned a certain M. David Levine. I trust that he is an administrator in the Ottawa region in the hospital. He was hired by the board.

My understanding is that he was among the finalists, it therefore became unanimous and he was hired. I remember so vividly, as if it were this morning, I can almost quote verbatim the Premier of this province saying — he did not deny the comment; he went forward — that he would not have hired Mr Levine; in fact he would have preferred to hire somebody from outside the country in lieu of Mr Levine if he had had the opportunity. Do you agree with what your Premier said?

**Hon Mrs Witmer:** First of all, what is the correct pronunciation of the gentleman's name?

**Mr Pouliot:** It's the same fellow.

**Hon Mrs Witmer:** I thought you might be able to give us that information.

I can't comment on what others say or don't say, but certainly when I was asked about the situation personally, I indicated that hospitals are autonomous corporations and boards are in a position where they can hire, obviously based on the competence of the individual, whoever they believe is best qualified for the position.

**The Vice-Chair:** Thanks, Mr Pouliot. That's it. You may get another opportunity before the end of the day. We'll turn it over to the official opposition. Mr Kennedy, you have 20 minutes.

1720

**Mr Kennedy:** Minister, I'd like to ask you again about the spending and the lack of spending in institutional care specifically, but first I'd like to check in with your premise. Is it your contention that the government is investing enough in community services to make up for cutbacks at hospitals? Is that part of what you would say is the plan of the government for secondary care? In other words, if people go home quicker and sicker, there's some service there they'll have access to. Is that something you'd subscribe to?

**Hon Mrs Witmer:** What we're endeavouring to do is to make sure, if we take a look at what the needs of the population in the province today are, that we are in a position where we can provide the appropriate services to people at every stage of their life.

As a result of the fact that 70% of the surgery today is performed on an outpatient basis, obviously there is a need for the community service support so people can get nursing, therapy, Meals on Wheels or homemaking services provided. That's why we recently made the announcement of \$551 million additional over eight years, to ensure that people can be supported in their own homes.

**Mr Kennedy:** There are other times when people in your government have said that this is the plan, that there will be services available in their own home, particularly when there are hospital services being cut back. Do you recognize that or do you subscribe to that specifically?

**Hon Mrs Witmer:** I think you need to recognize that the changes are taking place in health that you and I have

no control over. It's simply a fact of life that the population is growing, it is changing and it is aging. Also, as a result of new medical technology, new medical treatments, new drug therapy, the need for the length of hospital stays has decreased. Hospitals now, as I have indicated, provide much more day surgery than they ever did before. We also know that dialysis now can be provided within people's homes.

As a result, we need to make sure that as the focus shifts, we're able to provide a continuum of care. That's why we need to invest in the community supports. The other thing that people have said to us is that they do like to remain independent in their own homes as long as possible.

Last week, when I was at Copernicus Lodge, they indicated to us that as a result of the renovations they were going to be able to make, they would be able to provide the level of care for those residents, those senior residents, that they hadn't been able to provide in the past, before the increased funding our government was providing. They were going to be able to provide palliative care.

As I say, people who formerly went to the hospital can now either receive support in their own homes or in the long-term-care facilities.

**Mr Kennedy:** Thank you for that. It's my contention that the amount of money you're sending to hospitals is much less. You've effected two years of cuts. The reinvestments don't add up to that amount of money in hospitals specifically. For example, under the last year of the NDP there were \$7.8 billion spent on hospitals of a total of \$17.7 billion. If you take out any one-time costs that aren't related to operations, the provisional figures for 1997-98 suggest that \$7.2 billion is being spent in hospitals of a total of perhaps \$7.9 billion dollars spent overall.

I asked weeks ago for your ministry to provide a briefing on the budget on all manner of measures. Your ministry has yet to provide me with any briefing on any of the measures you've taken. On any of the announcements you've made, your deputies, your assistant deputies have not provided any briefings whatsoever. I want you to be aware of that, because I think it's a poor way to have a ministry run. I'd be happy to relate these figures to the people in your ministry for verification.

**Hon Mrs Witmer:** I would be pleased to have you do so, Mr Kennedy. I will ensure that you have an opportunity to receive those briefings.

**Mr Kennedy:** Notwithstanding, we have compiled the impact of your cuts and your announcements in individual communities. I'd like to convey to you a copy of some of the results of that.

I'd like to ask you about your own viewpoint around what communities should expect. For example, in your own community of Kitchener-Waterloo, while the hospitals remain open, as you're aware they have lost a lot of funds. A lot of money has left that community.

**Mr Wettlaufer:** On a point of order: I wonder if the Liberal health critic, Mr Kennedy, would be willing to table those figures for everyone?



**Mr Kennedy:** I'd be happy to table them once I'm finished. Sure, absolutely.

Mr Wettlaufer, for example, mentioned that money had not been cut. He referred to page 70 of estimates, where the money that went to hospitals was \$7.4 billion in 1996-97; that fell to \$6.7 billion the following year, a cut of almost \$700 million. We happen to know that included in that is an accounting administrative charge that we discussed in estimates last year, which the government used to pad the budget, basically.

I'd like to ask you specifically about your community and what is taking place in that community. If you look at the graph provided, when all the cuts to hospitals are factored in versus all the announcements that have been made as well as any moneys that have actually flowed to date, it will take the community of Kitchener-Waterloo until 2003 to break even on an annualized basis. They will incur cumulative losses that will peak at \$54 million in the year 2001-02.

When it comes to their secondary care, the care they used to get from hospitals, and then depend on home care or long-term care or some other form of hospital care, they're not going to get that for a long time to come under your eight-year proposed plan.

Similarly, in Hamilton and in other communities, it's an even longer-term proposition. In Hamilton, if you take the so-called reinvestments and you juxtapose them against the money being cut, you're looking at approximately eight to nine years before they break even, before they see a flow of health care dollars back into their community. When you go to London or Toronto, you actually never break even under this multiple-year funding plan you have to put long-term-care dollars in.

As you referred to them as replacement services, I'm just wondering how the government can justify what really adds up to a net loss for these communities in the billions of dollars. Toronto alone, over the 10 years from the beginning of the Harris government to the end of your plan, is looking at a loss of \$1.5 billion in secondary health spending.

From the standpoint of the affected communities — and I've several other examples — what is the reckoning on the part of the Ministry of Health? Are you trying to work to ensure that comparable services are there and should we look for those dollars to flow to those communities, or are you actually taking dollars out of communities, transferring them to other health services, to other communities in the province? What is your perspective on this?

**Hon Mrs Witmer:** First of all, obviously we're going to need to review the analysis you have provided. I think we will be able to demonstrate that what isn't taken into consideration here are some of the facts I have indicated which have changed the need for people to be in hospitals for long periods or to be in the long-term-care facilities.

I mentioned the fact that new drug therapy often means that people don't have hospital stays at all. I also indicated that as a result of new treatment measures — for example, take a look at gall bladder operations today, the fact that people are in and out as opposed to being in hospital for a

week. I recently travelled to London and they now have heart surgery, the bypass, that can be performed in a way that there's simply an incision; no longer do they cut the breastbone open. That has reduced the number of days' stay in the hospital.

This is very simple here, but we need to recognize that people are not in hospitals as long as they were before. Some of the funding being provided is being provided, for example, through the drug budget and through some of the other means as well.

We need to take a look at this very carefully and we would be quite pleased to respond to you.

1730

**Mr Kennedy:** I appreciate that point of view. I would like to see if there is indeed some kind of strategy, even though the drug budget has been cut over the last two years and it's only for the year upcoming that you're suggesting that it's going to increase. After the copayment, the drug budget went down for two years in a row.

Also, in the way of information, I would like to request details on the drug budget. This is the first year you don't list the Trillium drug program. Also, in terms of long-term care, we don't know how much money is spent by nursing homes, how much is spent on homes for the aged, on charitable homes. What it means is less information available, and that has been a characteristic of the ministry.

Coming back to this, does your ministry and do you as a government not have a perspective so that if Hamilton and Kitchener-Waterloo and London and Ottawa — Ottawa is going to lose \$330 million over the life of your plan, should your plan go ahead. Hamilton is going to lose \$280 million. Are you suggesting that there'll be enough money in drugs and enough money in other things that will compensate for that kind of cumulative loss?

**Hon Mrs Witmer:** As I say, we'd like to review the numbers as you have presented them. We will certainly respond to any questions you might have.

**Mr Kennedy:** My question today is, do you not already have some sense of this on your own? Does your ministry not look at a community, when the commission goes into a town and tries to play with one part of it — the hospitals — and makes recommendations? Your government before cut 12% pretty much across the board, took that money out of hospitals. Is there not some concerted effort to make sure that the money gets back in?

In the House on May 6 you told my leader, Dalton McGuinty: "Any money...that has been taken out has been reinvested in health care. We have been reinvesting in priority services in the hospitals in the areas of cardiac care, cancer care, hip and knee replacements and dialysis. Every cent of money that has been saved is being reinvested in health services for people in this province."

Minister, what I'm wondering is, does that apply to communities? Do people in communities get the money back? Those services listed in your response — and I know you weren't trying to be comprehensive — don't add up to the money that's been cut to hospitals.

**Hon Mrs Witmer:** You need to take a look at the increase in the overall health budget. The reality is that we

have increased spending by about \$1 billion, so this certainly demonstrates that we are responding to the needs of people throughout the province.

As I say, without further examination of the graphs you have presented to us, we're not in a position to determine whether they're even accurate. What you're endeavouring to do is to move up to the year 2006, so we certainly would need to evaluate these much more carefully.

**Mr Kennedy:** Here's the assumption that will help you evaluate, Minister. We have used 2006 because that's the date you have been using for your announcements. We have assumed that every promise you've made is an accurate one, that all the dollars will be delivered on time. When you've said it's over four years, we've set that over four years. When you've said it's over eight years — for example, this year, you have in your estimates about \$128 million that relates to the multi-year commitment. Part of that is in long-term care, about \$36 million in residential care. We've attributed \$150 million, because that's one-eighth of it. If you were being strict about it, you'd say you're behind in that commitment, but we're believing that eventually that money is going to be spent.

What I'm curious about is, does the ministry not have its own perspective and doesn't the government have a perspective on whether or not — in other words, do you monitor this? Do you have a policy or thoughts about whether, if communities lose hospital care, they should receive — because as we discussed yesterday, even in Kitchener-Waterloo they're still looking at potential further cuts when consolidation takes place, as every area is in their hospital sector.

Do they have a reasonable expectation that the money should flow back in? We're happy to support these figures outside this meeting, but is that something that you think should take place?

**Hon Mrs Witmer:** I think you need to recognize that the focus in health is shifting from illness to wellness. We are reinvesting dollars into communities in the areas of prevention. When you take a look at how we are investing health dollars, there's another area. For example, we are investing at the present time \$10 million into the Healthy Babies, Healthy Children program. The finance minister announced in his most recent budget that that program was deemed to be so successful that we were going to increase that to \$50 million by the year 2000-01. Also, we are investing in prevention in the area of speech and language programs, and that's for preschoolers aged two to five. We've also indicated that we are investing in a healthy heart program, again a prevention program to prevent cardiac and heart disease, and we're spending \$17 million.

We know that as a result particularly of the investments that we're making on behalf of children — the early intervention, the prevention of injury, the prevention of illness — we're going to see a decrease in the number of injuries and illnesses in this province. We know also that as a result some of the costs are not going to show up on the hospital budget, but you're going to see local community groups moving ahead to ensure that these prevention programs are in place in their communities.

I think you need to understand very clearly that as we are making these changes to the health system, we're focusing on prevention, so money being spent in communities is being spent on prevention initiatives. We've already now determined in the Healthy Babies, Healthy Children program that we are going to evaluate and assess each child at birth in order to determine whether they need the public health support, so those people will be supported in another way. I think you need to look at a community from the total amount of money that is being spent.

**Mr Kennedy:** I was wondering if you'd respond, and in your choice of not to, I assume that the concept of communities having some relevant relationship between the care they're getting and the dollar support they get from the government is not something you've expressed an interest in responding to. Your health promotion money is down \$12 million this year. You underspent by \$12 million. The prevention in terms of community health is underspent by about \$50 million. So there isn't an aggressive move there that we could believe is going to make up the kind of money that's been lost in some of these communities.

If you look at your graph, you'll see that next year in Hamilton you're looking at a \$50-million secondary health funding deficit. In Kitchener-Waterloo it's going to be \$15 million; \$27 million in London going up to \$47 million the year after. We're looking at \$49 million in Ottawa as an annual one. In Toronto, by the year 1999 we're looking at \$233 million less.

I'm just wondering, what should the citizens of these communities believe? The figures again can be independently looked at, but to the extent that they're giving up services — and in my community you closed a hospital and today you announced there would be replacement facilities built at St Joseph's and at Humber River, but the hospital closed seven months ago. Seven months ago, you took the hospital and the services away and there's been no increase, relatively, in terms of home care services, there's no new long-term-care beds serving that area. Obviously there's a larger Toronto area, but these are figures that apply there. Is the concept of making sure that communities have health care and, I guess basically even more bluntly, that patients should be protected no matter what happens, that there's always some form of service they have, is that not a concept that you would ascribe to, that you would say is part of your government's policy?

**Hon Mrs Witmer:** If you want to talk about some of the hospital services that are being delivered in the city of Toronto, I would just remind you — I know you've made some statements regarding some of the hospitals in Toronto and specifically I know that some of your information regarding Humber River Regional Hospital was not totally accurate —

**Mr Kennedy:** Minister, it's completely accurate. If you want to put that on the record, I'd be happy to submit the documents.

**Hon Mrs Witmer:** — and Darlene Barnes has indicated in a letter on June 3 that the hospital is not turning away 50% of its emergency patients. In fact, no patient



who arrives in the emergency is turned away. Also in a letter that she wrote to you on September 12, 1997, she said, "You seem to be most interested in generating fear within the community around the safety and quality of care provided to individuals, regardless of whether or not the facts support this conclusion."

**Mr Kennedy:** Minister, if this is your way of avoiding the question, I can understand that. I would be happy to debate what you've done, because you have a role in that hospital —

**The Vice-Chair:** The reality is, Mr Kennedy and Minister, your time is up.

**Mr Kennedy:** I think that was probably the point, Mr Chair.

**The Vice-Chair:** We're going to be moving to the third party. We have 10 minutes. You'll do your 10 minutes and then I think we have a few housekeeping items. You'll do 10 minutes and then we'll finish 10 minutes next Tuesday. Okay?

**Mr Bisson:** Sure. Okay, that's fine. I'm just going to be very quick.

I want to get back to vote 1402-1. That's page 70 again.

**The Vice-Chair:** Page 70 again?

**Mr Bisson:** Again, yes. I've got a series of questions when you look at this. I just want to get this clear. If you take a look at page 71, you're talking about "emergency rooms-hospital transitional beds." You've got \$35 million earmarked. How much of that \$35 million is going to be spent in emergency versus transitional beds?

**Hon Mrs Witmer:** That's the reinvestment in the emergency rooms.

**Mr Bisson:** Yes, because it says "emergency rooms-hospital transitional beds." I'm trying to get a ratio.

**Hon Mrs Witmer:** Mr Sapsford, do you have the breakdown here?

**Mr Bisson:** Again, I've only got five minutes because I want to split the time with my colleague. I'm not going to do a big preamble.

**The Vice-Chair:** Welcome back, Mr Sapsford. You have to read your name into the record.

**Mr Sapsford:** Ron Sapsford, Ministry of Health. We are working now on that allocation. Some of it will support directly emergency rooms and some of it will support the opening of both inpatient beds as well as intensive care unit beds.

**Mr Bisson:** Do you have a sense of how much towards emergency?

**Mr Sapsford:** A smaller percentage. Most of it is to be used for inpatient services. We're working with the Ontario Hospital Association now on that allocation.

**Mr Bisson:** Can you peg it down to like 20% of it, 30% of it is emergency room earmarked?

**Mr Sapsford:** I would hesitate to do that at this moment.

**Mr Bisson:** Is there any way you can provide us with that information or is that just too early? You really don't know at this point.

**Mr Sapsford:** The committee's working on that now, so it's too early for that to be available.

**Mr Bisson:** That's fair. Again on the same item, the emergency room-hospital stuff, is that money to be accessed by need or is that going to be allocated to hospitals? I'm trying to figure out how you'd tap into this.

**Mr Sapsford:** There will probably be an application process or a qualification process, but it will actually be allocated to individual hospitals.

**Mr Bisson:** Again on the same idea, it's in the estimates for this year, but often money has been allocated in estimates and not spent in that year. Are we expecting that money to be spent this year?

**Mr Sapsford:** Yes.

**Mr Bisson:** So that \$35 million we figure is going to be spent this year, in the 1998-99 budget year?

**Mr Sapsford:** That's correct.

**Mr Bisson:** Moving down a little bit where it says "medical equipment renewal," how much of that is to be spent in related facilities versus hospitals? You've got \$230 million and I'm trying to figure out how much of that is going to go to hospitals versus related facilities.

**Mr Sapsford:** That is not yet known. There will be a steering group set up. In fact there's a task group coming together to actually work on that. What we're trying to do is to inventory the equipment issues across all health facilities — hospitals, related facilities, long-term-care facilities — and then to do an assessment of what the priority expenditures would be.

**Mr Bisson:** I'll tell you why I ask the question. When I look at vote 1402-1, you have \$107 million earmarked to hospitals and then you've got \$424 million to related facilities. I take it the \$230 million is reflected in both those numbers.

**Mr Sapsford:** No, it is only reflected in the \$424 million.

**Mr Bisson:** That would mean to say the \$230 million would be actually spent in related facilities then.

**Mr Sapsford:** This is where the money is put in terms of the vote. The full \$230 million is in the related facilities vote.

**Mr Bisson:** It's in the related facilities vote, but it might be spent in hospitals as well?

**Mr Sapsford:** That's correct. We will do that —

**Mr Bisson:** That's why those numbers didn't jibe.

**Mr Sapsford:** We will do that allocation and the expenditure would then follow.

**Mr Bisson:** Do you have any idea when you're going to get a sense of how much of that is to hospitals and how much is to related facilities?

**Mr Sapsford:** It will take us several months to do that work, partly because we're doing an inventory of equipment. There will have to be some priorities established.

**The Vice-Chair:** Mr Bisson, you wanted to know when there was five minutes —

**Mr Bisson:** I have a very quick question and my colleague is going to be very patient with me.

Again, if you look at hospital funding, \$46 million, is any of that to be used for covering hospital deficits,

“hospital funding-other” under reinvestments, \$46.6 million?

**Mr Sapsford:** That’s the working capital amount. Yes, that will be funded directly to hospitals —

**Mr Bisson:** But is it to cover deficits? That’s what I’m interested in.

**Mr Sapsford:** It’s to cover working capital programs or cash shortfalls. It will go to the bottom line of the hospital.

**Mr Bisson:** So it could be used to fund deficits?

**Mr Sapsford:** It could be, yes.

**Mr Pouliot:** Minister, the millennium bug, how much money is allocated to make the transition?

**Hon Mrs Witmer:** I think we have just referred to that, the medical equipment renewal fund, and that’s \$230,000 — or it’s \$230 million.

**Mr Pouliot:** Was there an RFP for it where you went out to tender?

**Hon Mrs Witmer:** I think what has been indicated is that a task force is just being set up now to take a look at what will need to be done.

**Mr Pouliot:** Again, I’m not used to large sums —

**Hon Mrs Witmer:** You can tell I’m not either.

**Mr Pouliot:** You will have to bear with me.

There’s nothing worse than capitalists without capital. They always bug me.

**The Vice-Chair:** Your own colleague is laughing at your remark.

*Interjection.*

**The Vice-Chair:** There is another definition, Mr Pouliot, but we’ll stay away from it.

**Hon Mrs Witmer:** But we like your suits.

**Mr Pouliot:** The \$230 million, is that a set price or is it an estimate, and is it inclusive of all contingencies?

**Hon Mrs Witmer:** It’s an estimate and it was included in the budget this year.

**Mr Pouliot:** So if it’s out there, \$230 million — I’m not imputing motive; people mean well and I understand that they have to reconcile the bottom line — this will become a minimum, will it not? It could cost more.

**Hon Mrs Witmer:** Obviously once the task force has some meetings, there will be certainly a more accurate calculation as to what the costs are going to be.

**Mr Pouliot:** Madame, I carry my heart on my sleeve with all candour and spontaneity. I couldn’t help but reflect on what Mr Terence H. Young, MPP, asked you about — I thought you were being set up — the relationship that you have with the federal Liberals in Ottawa.

I recall vividly when we were the government and when we said, “They’re spending less money, and transfer payments are not forthcoming the way they should be,” in

unison; like a chorus, you used to say, “Stop whining, you’re the government now,” and three years after, I’m still concerned about the impact that it has had. I know you are unable to deliver what the populace wants. Sometimes I doubt you’ll ever have enough money to do that. They’re right in asking, for they pay dearly. But the federal Liberals — you see, that was then but this is now; now it’s your turn — are they jeopardizing the health care system in Canada as we know it by not honouring their commitment in terms of transfers?

**Hon Mrs Witmer:** What we have done, any money that obviously is no longer coming to us in transfer payments, our government has managed to not only provide the transfer payment money but we have also increased our spending by \$1 billion. Obviously we believe that health is a priority for people in this province, and we need to ensure that we can provide the highest-quality services and programs to people.

**Mr Pouliot:** Would you say they’re bad people?

**Hon Mrs Witmer:** I would say to you that we recognize people in this province have needs and we’re responding to those needs.

**The Vice-Chair:** Mr Bisson has one quick question.

**Mr Bisson:** A very quick question. On the \$230 million for medical equipment renewal, that’s not all for the millennium bug, I take it?

**Hon Mrs Witmer:** I’ll maybe ask Mr Sapsford.

**Ms Lang:** Perhaps I can take it, Minister.

It has all been designated to try to address the year 2000 problem that we anticipate is going to occur as a result of the millennium.

**The Vice-Chair:** Just before we adjourn, Minister, Anne is going to prepare a list of what has been asked for and what you have agreed to provide the committee with.

**Hon Mrs Witmer:** That will be helpful.

**The Vice-Chair:** She’ll have that to you and to the committee tomorrow.

**Hon Mrs Witmer:** Okay.

**The Vice-Chair:** If possible, could you please provide as much as possible for Tuesday so we could refer to it?

**Hon Mrs Witmer:** Yes, Tuesday next week, and then we’ll finish up on Wednesday.

**The Vice-Chair:** It would appear that we would be finished by Wednesday.

**Mr Bisson:** It would be helpful to get it before the committee so that we can look through it.

**Hon Mrs Witmer:** We’ll certainly try to do what we can in order to make sure it’s here for you next week.

**The Vice-Chair:** Terrific. Everyone have a good evening. The meeting is adjourned.

*The committee adjourned at 1752.*











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# Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

## Official Report of Debates (Hansard)

Tuesday 23 June 1998

## Journal des débats (Hansard)

Mardi 23 juin 1998

**Standing committee on  
estimates**

Ministry of Health

**Comité permanent des  
budgets des dépenses**

Ministère de la Santé



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 23 June 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 23 juin 1998

*The committee met at 1535 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** I apologize for being late. We will continue with our health estimates. I believe the NDP, the third party, has 10 minutes left in their statement.

**Mrs Marion Boyd (London Centre):** Before I begin, I understand there was a discussion about a lot of materials that were to be submitted to us and the minister had made a commitment to try and have those submitted to us by today. I don't see any materials at our desks. I wonder if someone can tell me what has happened.

**Hon Elizabeth Witmer (Minister of Health):** My deputy is not here yet, so I'm not in a position to respond to you, but as we had said last week, I can tell you that, further to the request by Mr Kennedy and the detailed analysis we are endeavouring to do based on the information that was presented to him, ministry staff are analysing very carefully his report and the supporting material. As soon as the results of the analysis are complete, we'll share them with you. I can give you some initial response, though. If that would be required later, I'd be prepared to do so.

**The Vice-Chair:** Minister, I think what Ms Boyd was referring to was the letter from Anne — do we have a copy of that? — asking the minister to compile a list of material that had been requested by different members of the committee. At the time, you had given your assurances that you would try to have something, either before the meeting or for the meeting.

**Hon Mrs Witmer:** I'm going to have the deputy respond to that — apparently she does have some information — but before I do, I would just indicate that I have written a letter to you, Mr Chair, indicating that due to circumstances beyond my control I will not be able to attend tomorrow afternoon. I think we have what, about an hour and a half left tomorrow?

**The Vice-Chair:** Yes.

**Hon Mrs Witmer:** Mr Newman has indicated he would be here on my behalf, if you wish, or if not, obviously we could reschedule. I guess that would take us into some time after the House is finished.

**The Vice-Chair:** I was going to deal with that at the end of the meeting, but since you've mentioned it, what's the pleasure of the committee: To delay the final health

estimates until we resume in the fall or to have Mr Newman present before us to answer our questions? Any discussion?

**Mr Terence H. Young (Halton Centre):** There are lots of precedents actually where the parliamentary assistant has replaced a minister when it's necessary due to government or ministerial duties; and, as well, not just the parliamentary assistant but the deputy ministers. I would like to have Mr Newman appear tomorrow and I'd like to get to this matter tomorrow. I think it would be beneficial to the committee to complete the deliberation of the ministry's estimates rather than break it up and reconsider doing it at a later time. Mr Newman appeared before the estimates committee last year on behalf of Minister Wilson, the former health minister, and proved very capable of answering all questions.

**The Vice-Chair:** Do we have consensus that we'll have Mr Newman appear before the committee, replacing the minister? Agreed. Okay, that's taken care of. Now maybe we can go back to the list of material.

**Ms Sandra Lang:** I have just reviewed with my staff where we are on the completion of the information requested. We haven't compiled it all yet. They've assured me that we are working hard to get it pulled together, but we don't have it completed. Hopefully we will have it ready for tomorrow.

**The Vice-Chair:** If you don't have it all ready, would it be possible for you to share with the committee that material which you have ready, as opposed to giving it all in one package?

**Ms Lang:** Okay. We will certainly try to do that.

**The Vice-Chair:** Great. Any other questions or comments from the members of the committee? Then we'll go to Ms Boyd, 10 minutes.

**Mrs Boyd:** I would have preferred, obviously, to have the list since I wasn't able to be at the first two days of estimates. Apparently, according to the minutes of those meetings, you expect to be finished tomorrow. We were asking for the material and certainly for the list of materials so that we could ask questions. Just so you're aware, I'm not best pleased that we aren't at least able to have the list, if not the materials themselves that were requested.

**Ms Lang:** Excuse me, could I just clarify the list in terms of the questions?

**Ms Boyd:** The list of materials that you were to provide to us as a result of the first two days of estimates was

to be provided by today. You were to compile that list and to present it to us for today. It certainly puts me at a disadvantage not to have that compiled list.

**Ms Lang:** We were in receipt of a note from the clerk the other day itemizing all the items that were to be completed, so I assume it's available.

**The Vice-Chair:** That's right. We'll have a copy of that letter for all the members of the committee. However, it's my understanding that some of it would be here today as well. I don't think any of us expected that all of it would be here, but at least some of it would be here. That could have formed the basis of some questions from the three parties, but the reality is, it's not. It will be tomorrow. Maybe we can continue on with the questions.

**Mrs Boyd:** Minister, in a number of different parts in terms of your answers to questions, you indicated that you were committed to dedicating more money to the prevention end. You were talking very confidently about the need to spend a lot of attention on health promotion and prevention.

I'd like to draw your attention to vote 1405, the program being population health and community services, and the activity being health promotion and program administration; operating expenditures. In 1997-98, your estimates were \$20,948,200, but your estimates for this year are \$18,258,600; in other words, a decrease of 12.8%, for a total of \$2,689,600. In terms of transfer payments for health promotion programs, in 1997-98 your estimates were \$13,967,900; in 1998-99, your estimates are \$11,967,900; again a difference of \$2 million and a reduction of 14.3%.

I understand the health promotion program to be one that provides financial support to community health promotion projects which are targeted to address four key issues: cancer, cardiovascular disease, alcohol and other drug abuse, and maternal and newborn health. The programs to address these health issues are based on known risk factors.

I'm really quite concerned to see, in total, a fairly severe reduction in the health promotion and program administration areas and in the health promotion program at a time when certainly all indications are — and your own speech to the committee indicated — that there are many diseases which we now know can be prevented; that there are expenditures we are now having to expend on people who have not had the benefit of those that we would not have to spend tomorrow. I'd like an explanation from you as to why there would be this kind of reduction in the population health estimates.

**Hon Mrs Witmer:** There were some changes made in the area of the promotion. Certainly you're right, Mrs Boyd. Health promotion, wellness promotion, disease and injury prevention are certainly key issues for the ministry. I have made reference to the fact that it is important that individuals within the province assume greater responsibility for their health and that we look at improving health outcomes and doing what we can to shift the focus from illness to wellness. I'm going to call on Mr Sapsford to deal with this issue, as to how this is being dealt with.

**The Vice-Chair:** Welcome back, Mr Sapsford.

**Mr Ron Sapsford:** The change from the preceding year in health promotion expenditures is really the result of a program review in the health promotion program. The result was a decision to focus most of the resources on four key health issues faced by the province: cancer, cardiovascular disease, alcohol and drug abuse, and maternal and newborn health. The reductions came at the conclusion of that program review, where decisions were made to consolidate the funding along those four program areas, and a number of programs were reduced. The bulk of the money was from administrative overhead savings, as opposed to direct program costs, and the program moneys aligned to these four target areas of health promotion. It was felt this was a better use of the funding, by focusing it on these key areas rather than spending it across dozens and dozens of very small and uncoordinated programs.

I would add as well that this line does not represent the only health promotion expenditures of the ministry. There are many other programs that have health promotion components attached to them. I'll give the example of the diabetic programming, where a significant portion of the program expenditures in that particular program are related to health promotion. As well, in the drug area there are significant expenditures on the development of drug-prescribing guidelines in the efforts to improve health.

**Mrs Boyd:** I don't have any quarrel with your addressing the four key health issues, but at least three of the four certainly have a lot to do with the tobacco rejection strategy. The minister claimed she was working on a tobacco rejection strategy for the province. It's quite clear from these estimates that the minister doesn't expect to introduce that this fiscal year. There's nothing there for a major investment in tobacco reduction strategy, even though the minister said that was a major focus. Minister, can you tell us when you expect this tobacco rejection strategy to be introduced and where the dollars are going to come from?

**Hon Mrs Witmer:** Yes, I'd be happy to. Mr Sapsford has indicated that the ministry has shifted the focus of recognizing all health promotion activities on the one line. Much of the promotion activity now is tied into other lines as well. I think a good case in point is dialysis and diabetes, where we're now focusing on education programs as well for the patients.

To talk about the tobacco strategy — and this is an issue that we are personally most concerned about at the Ministry of Health — we've had actually quite a bit of consultation with some of our stakeholders and we are about to set out the parameters for the initiative of reviewing the tobacco health strategy. We hope to have sufficient consultation that would allow us to start making changes, because we are certainly quite alarmed that the present strategy is not, in all cases, achieving its targets.

When the price of tobacco was reduced, it did have an impact on individuals and their ability to purchase cigarettes. We're seeing an increasing number of young people. Our focus, when we take a look at the tobacco



strategy, is really to focus on how we prevent young people, in particular, from starting smoking and also, just as importantly, for those who have started, how we encourage them to quit smoking. We are just about to start, and I hope we can complete that task in very short time. But we need to consult with people in the province and then we need to move forward and make the changes to the strategy in order that it can have a significant impact on the individuals who unfortunately are taking up this habit.

1550

**The Vice-Chair:** We'll move to the government side.

**Mr Trevor Pettit (Hamilton Mountain):** I know the government is looking at different ways of providing health services to individuals. One of the recent initiatives that I have an interest in is the announcement you made a few weeks ago about primary care. In fact, we were honoured to have you make it in Hamilton. This, to me, is a very progressive partnership between the doctors and their various communities. I'd like it if you could explain how this is going to work in a little bit more detail, if you would, and also if you could give us your best estimate of when this program, assuming it will be successful, might be expanded to other centres in the province besides Hamilton. Is it four others or three others?

**Hon Mrs Witmer:** It's four others; a total of five.

Yes, the announcement was made in Hamilton and actually it was extremely well received by the community, as well as by the Hamilton Spectator. They indicated they appreciated the focus we were putting on upgrading front-line patient care for your population. It's one that's growing and aging.

We announced this new model of care in conjunction with the Ontario Medical Association. The pilot sites are in Wawa, Chatham, Paris, some municipalities around Kingston and of course Hamilton.

What we really want to ensure happens is that we can increase the accessibility to health services in Ontario. We also want to look at different, more innovative approaches to delivering services to people in the province. We want to make sure that this primary care reform that we undertake does comply with the Canada Health Act in every aspect. We want to then, of course — if that's our objective — ensure that it's accessible and universal.

Most importantly, what this initiative does is provide a comprehensive level of care that most people in this province are not receiving today. What I mean by that is that those people who become part of the pilot project and make an agreement with a physician to be part of the rostered list of patients will actually have access to 24-hour care. That means if the physician is not available to take the call and to take the patient, he or she would ensure that a colleague would be available to do so. If the physicians are not there and it's night-time, there will be a nurse available who will be in a position to provide advice and information as to how to deal with the medical concern and to give the appropriate directions. I think this is one of the real pluses of this initiative, the fact that you do have the continuity, the access to care 24 hours a day.

People participating in these pilot projects do so based on their volunteering to do so. It's not compulsory. If you live in Wawa, you don't have to sign an agreement. You don't have to roster with a physician. You can still continue to receive services as you presently do on a fee-for-service basis. People will not be compelled to be restricted to a provider. As I say, they have an opportunity to make the decision. They have an opportunity to choose their doctor and, if they're not satisfied with the physician, they also have a couple of times each year where they can evaluate that particular decision.

Also, your access to emergency services is not going to be impacted in any way. As I've just pointed out, you actually will be able to call the doctor and get a live person on the other end 24 hours a day. Obviously, if it's an emergency situation that warrants you going to a hospital, you would be directed to do that if you haven't already made that choice yourself.

We know there's a need for fundamental change. Doctors are indicating to us that they like this approach. I think they're anxious to see how this is going to work. Actually it'll give us an opportunity to look at different methods of payment for physicians. We can pay them according to the old fee-for-service, we'll have some reformed fee-for-service, and some of them will be paid according to a method called capitation where it's really a fee per patient. Based on the age and some of the other factors related to that individual, they'll be reimbursed a lump sum for providing services to that individual.

The other area where these physicians are going to focus their attention and be compensated is in the area of prevention. They'll actually have time to discuss with patients means for keeping them healthy. Nowadays most doctors don't have an opportunity to focus on prevention. There will be improved use of technology available on all of those five communities and there will be access to computerized patient records. We actually had a demonstration, if you remember, in Hamilton and the two physicians there were quite impressed.

We believe this is certainly a way of increasing the accessibility to services and also ensuring not only that physicians are part of this project, but also that nurse practitioners are going to be involved. As you know, in Hamilton, the individuals there, we're working with the pharmacists, the dentists. They had a mental health support worker, they had therapists. It really is bringing all the health care providers together and being able to respond to the needs of the individual patients in that type of setting.

We hope we're going to see some good results. We have an independent body that's going to be doing the valuations. As soon as we can see what's working well and what's not, we'll make the appropriate changes. We obviously, as interest indicated, would be prepared to expand it to other centres in the province. But as I say, it's voluntary.

**Mr Ed Doyle (Wentworth East):** One of the questions that was asked last week, and I'd like it to be expanded on, was the money the government saves as a

result of copayments made on prescription drugs. However, I think we should get more information than that. I think we should also find out how much it's costing the system because of the new drugs that have been added to the formulary. Is it possible that we can get that kind of information as well?

**Hon Mrs Witmer:** The drug information?

**Mr Doyle:** Yes, that's right. The cost to the system because of the additional drugs that have been added to the formulary, and I believe there have been a few hundred added.

**Hon Mrs Witmer:** That's right.

**Mr Doyle:** In addition to that, it's also my understanding that many, many more people are eligible for the plan now.

**Hon Mrs Witmer:** That's right.

**Mr Doyle:** That would obviously have some financial effect.

**Hon Mrs Witmer:** I'm going to ask Linda Tennant to respond to some of those questions and then I'll provide some additional information as well.

**Ms Linda Tennant:** I'm Linda Tennant, director of drug programs branch. I'm sorry, I have to try and remember the question. The number of new drugs added in the last two years is just over 500, and that includes the full range of drugs, whatever becomes available within the pharmaceutical community.

In addition to that, I don't have the exact figures with me but the drug budget continues to rise. If you look within the budget, you'll see the growth that you would expect to see. We expect about a 2.5% to 3% increase in the number of people turning 65 each year. It nets out to about 4,000 to 7,000 per month. There was also an increase in the number of people who take drugs over a certain age, 70 to 75. Within the budget, in the last two years we've seen a major increase in the number of people on home care because the drug budget covers drugs while people are receiving care in their homes.

1600

**The Vice-Chair:** Ed, any other questions?

**Mr Doyle:** Yes, I do as a matter of fact. Minister, there are a lot of people wondering about the year 2000.

**Hon Mrs Witmer:** Before we go forward, I think it's important to remember, when we talk about the drugs, that actually that's one of the areas where we have seen the greatest increase as far as expenditures are concerned. We've actually seen an increase of 17.7% in one year. Obviously this is something that is due in large measure to the demographic growth as the population is aging. Certainly there are more people than ever before who are receiving coverage and obviously have access to these drugs that are being provided by the government.

**Mr Doyle:** In addition to that, there are more people now eligible for it who are under 65 because of their income.

**Hon Mrs Witmer:** Yes, there are. That's right, because of the changes we've made, and so really we have expanded eligibility, and also as the population ages. We've actually increased access to the drug program and

there are more people than ever before who through Trilium or the ODB have access to these drugs.

**Mr Doyle:** I was asking about the year 2000. A lot of people I think are somewhat confused by the year 2000. What has 2000 got to do with computers and so on? It's my understanding that the computer can't tell the difference whether it's 1900 or the year 2000, so it will cause confusion with computers. I wonder if you could expand on that and tell us what actions are being taken and whether we're going to make it.

**Hon Mrs Witmer:** I think all ministries and the government as a whole are obviously very concerned about problems related to the year 2000, as is anybody in this province who has a computer. What we're doing, as you know, is we're ensuring that we can meet the year 2000 deadline. We are working as hard as we possibly can. This is obviously a new experience for all of us and we're making sure that the steps are taken.

We've actually allocated \$300 million to deal with this issue in the 1998-99 budget. I will ask the deputy, who obviously has the responsibility for the health sector, what steps are taking place.

**Ms Lang:** We're actually dealing with this issue on at least two fronts, if not three. Inside government, Management Board has taken a major lead around information systems and all the ministries have been working extremely hard to identify mission-critical systems and how we're going to ensure our systems are in compliance with year 2000.

I'm quite pleased to say that the Ministry of Health is well advanced and certainly working quite hard to ensure that the systems are upgraded to be in compliance with year 2000.

In addition to that, we've been working very collaboratively with what's called the Ontario Health Providers Alliance, which is an organization of member agencies who have interest in the health care sector: the OMA, the hospital association, the labs, the drugs, the pharmacists, the home care providers, all of those folks who have an interest in health care.

We've been working very collaboratively with them around a process to review the state of readiness of the health care system and the health providers in terms of compliance, particularly as it relates to medical equipment and ensuring that the commitment for those providers to have their organizations ready to deal with the requirements of year 2000 are in place. We've put in place a major project and been able to recruit someone in from the health sector to work in a significant leadership role in making that happen with the various providers.

On the third front, we've been working with our colleagues across the country, because this is not a unique issue to Ontario, as I'm sure you appreciate. So we are working very collaboratively with our colleagues across the country to ensure that we're not replicating and duplicating effort, and focusing energy. We have, with the help of our colleagues in other provinces, set up a process now to look at an equipment-testing vehicle to ensure that the critical equipment for the health care system is able to



meet the year 2000 requirements. We have a lot of activity under way. It won't be for want of trying that we aren't ready by the turn of the century. Certainly we have put in place and the resources are given to the ministry to make sure we can make the system compliant, in the information sense but also in the service sense.

**Mr Doyle:** It's quite a daunting problem, obviously. When you consider that when we get to the year 2000 and 2001, there will have been some people who are still alive who were born in 1899, so we'll be covering three different centuries.

**Mr John L. Parker (York East):** Are you one of them, Ed?

**Mr Doyle:** No, but I will be in 2002.

**The Vice-Chair:** Mr Wettlaufer.

**Mr Wayne Wettlaufer (Kitchener):** Thank you, Chair. How much time do I have?

**The Vice-Chair:** You have three minutes.

**Mr Wettlaufer:** Minister, when the Canada Health Act was signed in 1960 something or other, the federal government agreed to contribute 50% of health expenditures, to transfer that much to the provinces. Presently the federal government is contributing only eight cents, and does not fund home care or, I believe, long-term care. The provincial Liberals have chosen to say nothing.

The provincial Liberals indicated in their red book that they would have spent \$17 billion per year on health care. The government is spending \$18.5 billion or \$18.6 billion in this year. The Saskatchewan government indicated not too long ago that the Saskatchewan Liberal Party has estimated it could find \$1.3 billion in savings in health care, but of course they haven't come up with the figures. They haven't indicated to the government in Saskatchewan where those savings would be. I suspect the provincial Liberal Party in Ontario seems to think it could also find \$1.3 billion or \$1.6 billion in savings.

Mr Pouliot last week asked, "Is the federal government jeopardizing health care in this province?" Could we have an elaboration from you.

**Hon Mrs Witmer:** Our government has certainly recognized that health, health care, health services are a priority for people in this province. We had indicated that we would never subsidize health at less than \$17.4 billion, but as we've taken a look at the needs of people in this province, it's become abundantly clear that not only would we not go below that number, we actually have invested more dollars because what's happening is there is a need for additional programs, as people are aging, the population is growing and people are simply living longer as well. As you know, we're spending more money today.

We have been very disappointed that the federal government has not responded to the needs of people. Across this country, citizens have made it abundantly clear that they want accessible, high quality health services, and certainly we're trying to provide those. Not only are we spending \$1.2 billion in additional dollars today, since 1995, we've also had to absorb the almost \$2 billion in cuts in transfer payments from the federal government. Obviously, if there are additional dollars that would be

forthcoming from the federal government to support the services, they would be appreciated and money that could be well used.

**The Vice-Chair:** We'll go over to the official opposition. Mr Lalonde, welcome to the committee.

1610

**Mr Jean-Marc Lalonde (Prescott and Russell):** Thank you, Mr Chair.

I have a question. Minister, since your government has decided to, I call it, download the ambulance services to the municipalities, even though your ministry comes up with some figures, we know those figures go up all the time, because every time a section of the ambulance service has to purchase a new ambulance, it goes towards the budget of the counties or the municipalities. Do you have an idea at present what the saving to the province will be due to the fact that you have downloaded the ambulance services to the municipalities? What will be the provincial saving?

**Hon Mrs Witmer:** I'm going to ask Mr Sapsford to respond to that question.

**Mr Lalonde:** While he's doing some research on that, I'll say this: Three weeks ago I just happened to attend an accident on Highway 17. We're waiting for the report from the 911 services for the time it took for the ambulance to get there. I will see on my cellular phone bill the time I called and I will have the exact time before I come back with it.

With the fact that it is downloaded to municipalities, the rural areas, I would say, will be second-class citizens because they won't be able to afford the current ambulance services. We know there are areas that will not have the financial resources to continue supporting the ambulance services we are getting now. But currently, even though the management of the ambulance services is taken care of by the provincial government, we have noticed already the reduction of services we are getting.

Have you got those figures yet?

**Mr Sapsford:** At present, the estimates include the costs of ambulance services. The actual transfer of the funding will not occur until January 1, 2000. The estimates reflect the amounts and that will be billed to municipalities. As far as the net savings to the province is concerned, the transfer of services between the province and the municipality was meant to be revenue-neutral so that there's no direct savings to the health budget. We will be transferring exactly the cost of the services to the ministry as part of the calculation for the funding transfer to the municipalities.

**Mr Lalonde:** The whole cost is going to be taken care of by the municipalities. You are invoicing the municipalities for the cost of the ambulance, so definitely it is a savings to the province, but it is an additional cost to the local taxpayers, which is the municipalities, because this is something we did not have to pay in the past. So it won't be revenue-neutral. It can't be.

In my own county, for example, at present, even though we had received some figures, it's up to \$2,916,000. That is the actual cost until they buy another ambulance. On top



of that, they have to look after the insurance. This is the part that the municipalities haven't received from your ministry yet. How much is it going to cost for insurance, for example, the liabilities? Also, there were other additional costs that the municipalities didn't expect to have. It's good that at present you're keeping the management of it, but you are sending the invoices to the municipalities. They already received the approximate cost they will be paying by the end of 1998. But you don't have those costs?

**Mr Sapsford:** We are basing it on the actual cost to the ministry —

**Mr Lalonde:** Of 1996 or 1997?

**Mr Sapsford:** 1997-98.

**Mr Lalonde:** Is this available yet?

**Mr Sapsford:** The breakdown is not available here in terms of the total amounts. But the whole transfer of the ambulance services was based on the Who Does What exercise, so while some of these costs are moving to be funded by municipalities, other costs were taken from the local level into the provincial budget, not in the health area but in other areas of government expenditure.

**Mr Lalonde:** I have another question. I don't have the answer to that one, so I'll go to the next one. The health care funding for the five counties of eastern Ontario — Glengarry, Stormont, Dundas, Prescott and Russell — is \$23 million they get on a yearly basis. But when I look at the hospital restructuring commission report, in many places they refer to the county of Russell, including Cumberland, which amounts to about 90,000 in population. According to that report, the residents were using the Cornwall facilities to get their health services, which is absolutely false. Probably they don't know the area, and probably because the health care funding goes to the office in Cornwall your ministry was under the impression that all the people within that area were getting their services in Cornwall.

I received the breakdown from Champlain health council just lately: There's not a single person from Russell. Two persons from Rockland went to Hawkesbury, but it was a car accident in the Hawkesbury area. They don't even go to Hawkesbury. They always go to Ottawa. What I'm getting at is that when we fought to get the Montfort open, Montfort was the only hospital for the majority of residents of the county of Russell. They were going to Montfort, and that did not show up in the report.

**Hon Mrs Witmer:** The commission's report.

**Mr Lalonde:** That's right. I think it's something to look at. Looking at the article in the Ottawa Citizen this morning, they stated that to keep the Montfort Hospital open would cost the ministry \$775,000 for the first year. But how much is it going to cost to transfer all the services to a central hospital in Ottawa?

**Hon Mrs Witmer:** Mr Sapsford, did you want to speak to that?

**Mr Sapsford:** Yes. I can't answer the specific question, but the method used by the commission would be based on hospital discharge information. Every patient discharged from an Ontario hospital is recorded. Part of

the information that's included would be the residence of the person. In looking at a particular region of the province, the commission will look at all the discharges on an annual basis and the residence of the people who are in a specific hospital, so if there were a portion of Prescott residents who were discharged from a Cornwall hospital, that would be part of the information.

**Mr Lalonde:** You're saying Prescott. I'm not saying Prescott; it's Russell.

**Mr Sapsford:** Well, in Russell then. If there were any people who were resident in Russell in the Cornwall hospitals, that would be part of the information base that's recorded on a routine basis.

**Mr Lalonde:** Minister, we know that Hawkesbury is a very important hospital for the eastern part of that riding, right up and down the Quebec border. We were getting approximately 20%, up to 30%, of our clientele from Quebec, and the Argientia health council is trying to get all their patients back to la Chute because they want to justify their hospital over there. The director general, Michel Lalonde, no relation to me, is trying to get all the residents within the Prescott area to use the Hawkesbury hospital, but the problem is that they don't have the professional doctors in Hawkesbury to serve eastern Ontario. This is why even the doctors within the town of Hawkesbury are sending their patients to Ottawa at present. Do you foresee any budget that would allow the Hawkesbury hospital to attract additional doctors down there so they could justify — they do justify the hospital, but to make sure that if we lose this clientele from Quebec, we are able to continue serving the people within the eastern Ontario part of our county?

1620

**Hon Mrs Witmer:** One of the problems we face in this province is the fact that we have sufficient doctors, but unfortunately they're not going to the areas where they are most needed. If we take a look at the numbers here in the city of Toronto and some of the other teaching centres, we see that in some situations we have too many.

As you know, we have introduced a program whereby doctors' billings are negatively impacted if they set up in an area that is overserved. We've tried to use this negative means of encouraging people to go to underserved areas. We're also paying additional money to physicians who set up in the underserved areas; certainly there's additional remuneration. That works in some cases but doesn't work in others. We're now working with at least one university in the province to start working with students who are in medical school as early as we can so they have an opportunity to do some of their practical work in the urban-rural settings where they're going to be needed. We hope that by giving these people an opportunity to go into some of the small communities and the more isolated areas where we need the physicians, they may, as a result of this work experience, return and practise at a later date.

We also have a private member's resolution where we are looking at maybe providing reimbursement for physicians who go to underserved areas. We are continuing to work with PAIRO, the OMA, the OHA, the universities,

any stakeholder in this province, to ensure that communities like Hawkesbury, which I had the opportunity to visit on one occasion and spend a day or two, have access to physicians, because it's a very serious problem. We'll continue to do what we can to provide the incentives to encourage people to go to those communities.

**Mr Lalonde:** Next question: I don't know what the status of the Montfort Hospital is. As you know, the Montfort Hospital was the only French teaching hospital. When I'm talking of Hawkesbury, I'm talking of Cornwall and also Alexandria. In my riding alone, in that area, 30% of the population, especially the older generation, don't speak or understand English. What are the plans at present for the French teaching hospital of the Montfort?

**Hon Mrs Witmer:** Mr Sapsford, did you wish to provide additional information? Or maybe we can get some more information if we don't have all of it detailed enough for you, Mr Lalonde.

**Mr Sapsford:** We can provide more detailed information, but basically at the present time the commission has given directions that Montfort operate an outpatient ambulatory care facility. The hospital is continuing discussions with the university and the commission about the scope of the application of its services as a teaching centre in the French language. That's led to some discussion about some inpatient-based capacity and the scope of the emergency services that will be provided. That discussion is still going on and those final decisions have been taken, it is my understanding. But the Montfort certainly will be there as an operating hospital providing services to the community and will be developing its role as a teaching institution affiliated with the University of Ottawa.

**Mr Rick Bartolucci (Sudbury):** Minister, you're very familiar with the restructuring that's taking place in Sudbury. Could you tell the committee what the difference is between the original cost of restructuring in Sudbury and what it is today?

**Hon Mrs Witmer:** We'll need to get you that specific information.

**Mr Bartolucci:** Suffice it to say it has increased dramatically, as you are aware. You're right now in the process of negotiating, so you're familiar with the increases. Your government had once committed \$59.2 million to the restructuring efforts in Sudbury. How much are you going to increase that by, given the new added costs of restructuring in Sudbury?

**Hon Mrs Witmer:** I'm not sure if we have that specific information.

**Mr Sapsford:** No, I'd have to find the specifics. But in general terms, the estimates originally provided by the commission — this is the capital costs you're speaking of. In the process we use, based on the directions of the commission, the hospital will then work to create what we call a functional program, which describes in some detail the program and physical requirements of the building. Many of the issues that the hospitals are facing outside of the commission's recommendations have to do with what we call interdependent projects. In other words, if you're going to add to an existing building, there may be some-

thing you have to do to the existing building to make it compatible, and in all cases those costs have not been identified. The ministry is undertaking discussions with hospitals to work out the details of those interdependent costs to come to an agreement on the overall capital costs. Each case is different, depending upon the physical plant that exists and what might have to be done to it to bring it to an appropriate level.

**Mr Bartolucci:** I don't want to disagree or sound like I don't believe what you're saying, because I respect you too much to say that. The reality is, though, that you're in the final stages of negotiation with the Sudbury Regional Hospital Corp, so you are familiar with the numbers we are talking about. I say this not to get a commitment of an exact amount today, because I don't expect that you're going to announce it at the committee; I expect that you'll either come to Sudbury or send a letter or do something that will garner a little bit of attention to it. But what I want to ensure is that at this point in time, when the Sudbury Regional Hospital Corp is holding its first annual general meeting a week from today, and your ministry and I think the minister's staff — I think very well-placed staff — have assured the Sudbury Regional Hospital Corp that there will be an agreement, a letter, signifying the government's intent —

*Interjection.*

**Mr Bartolucci:** Then maybe I'll ask, what's your intention going to be?

**Hon Mrs Witmer:** I hope we can soon make that information available to you, real soon.

**Mr Bartolucci:** Real soon?

**Hon Mrs Witmer:** Real soon.

**Mr Bartolucci:** Well, if past history's any indication, "real soon" meant the very next day in Mr Cleary's case.

**Hon Mrs Witmer:** That's right.

**Mr Bartolucci:** Okay, great. That's very important. That's very good.

**Hon Mrs Witmer:** I don't know if it's that soon, but it's real soon.

**Mr Bartolucci:** In this real soon announcement — I know we have to be a little coy here and a little cute, and that's fine. I believe you're familiar with the constraints on the community, our high unemployment rate and the lack of what we would consider economic growth. I think our community is probably going to be more than fair in trying to raise the appropriate capital that they see fit, given the economic environment.

**Hon Mrs Witmer:** When is their annual meeting?

**Mr Bartolucci:** A week from today. The reality is that the government is going to have to put in a lot more money than they originally thought they were going to have to put in. I don't want a commitment of dollars, but can I be assured, can my community be assured, that there has been an agreement as to what is an appropriate of money and that you've factored in the economy of the Sudbury region?

**Hon Mrs Witmer:** I'll let the deputy make one further comment on that.



**Ms Lang:** I was recently in Sudbury and I met with the board of the hospital and the CEO. They actually shared with me in quite significant detail the plans for the hospital. We committed at that time that we would have some news for them before their annual meeting next week, and I can assure you that the ministry is working very hard.

We also talked about the challenges facing the community in terms of fund-raising. We understood, but we also talked about the policies that guide government funding and financing for capital, and I think there was a mutual understanding of how we would proceed. But we do intend to be able to say something to them before their annual meeting.

1630

**Mrs Boyd:** I'd like to go back to the issue around tobacco cessation, because I understand that recently, in the fall of last year, your cabinet rejected a proposal from the Ontario College of Pharmacists to amend the regulations under the drug and pharmacies act to permit the sale of smoking cessation products in the self-selection area of retail pharmacies.

There's a lot of material which shows that making those products more available, not making people go through the prescription issue or even asking from behind the counter, makes a significant difference in terms of the ability of people to stop smoking. There's all sorts of research about the lack of abuse of these products, the lack of problems in terms of people having side effects from these products. We're the only area of Canada now that does not offer these products in a way that doesn't require prescription. Why, when you're trying to lower utilization rates in terms of physician services and when you're trying to encourage tobacco cessation, would your government have rejected that proposal from the Ontario College of Pharmacists?

**Hon Mrs Witmer:** In response to the question — and actually I know that you had sponsored a press conference yesterday related to this — I think I had told the media yesterday that we were reviewing that particular decision that had been made in light of the fact that the federal government did indicate on June 1 that it was no longer mandatory that the patches be used according to prescriptions filled out by physicians.

One of the concerns the government has always had is the level of nicotine in either the gum or the patch, and also the health and safety of people in this province, particularly children and their accessibility to these products. Obviously, as Minister of Health, that's something that we always need to keep uppermost in our minds: Who else is going to have access if you do make these products readily available on the shelf? As I say, we are currently reviewing the decision that was made, in light of the change in the federal position regarding the patch and making that patch available. We hope to make a statement soon on that particular issue.

**Mrs Boyd:** The federal department made it clear that decision was going to come forward; it was coming into effect on June 1, but they made the decision some time before. The one good thing about the bill that we're cur-

rently debating the time allocation motion on is that one of the effects will be to allow the college to make that regulation itself. I'm not sure why you're bothering to review it, because you can be sure, having brought that regulation forward, that they will go ahead and do it.

It's rather interesting that you appear to ignore the research that's been done that shows that in fact these products are not abused by kids. Certainly the gum tastes terrible and the patch is extremely expensive. Much as we like to raise bogeymen about some of this stuff, it's ridiculous compared to the danger of smoking.

I must say that I'm distressed that you didn't take that action, as I think it would have made a big difference. It strikes me that children in Ontario are no more likely to abuse these products than children in any other province or any other jurisdiction. It seems rather ridiculous that we're stuck with this regulation and certainly, to me, really calls into question the focus that you say you have on this issue.

You did not answer my question before around how you expect to persuade anyone that your focus is on prevention and promotion when you've taken, just in two parts of the prevention and promotion budget, more than \$4 million out of it. These programs cost money. For your assistant deputy minister to make the comment, "We're consolidating the programs so they'll be more effective," yes, you're consolidating the programs so you can scoop \$4 million out of them. That really belies your repeated concern about prevention and promotion.

**Hon Mrs Witmer:** I think perhaps it wasn't made clear, but obviously you can put all of your promotion dollars on the one line or you can incorporate the promotion activities within some of the other priority programs. Certainly that's what we're endeavouring to do. There are many things that are happening today that are components of prevention.

Let me get back to the gum and the nicotine. I think we can say there's no real danger, there's no real problem, but I'd just like to bring your focus to two quotes that I know were made. One was by Dr Jay Siwek in the *Washington Post* on February 28 of this year, when he said: "Some people pervert the whole purpose of nicotine substitutes by using them to maintain a smoking habit rather than helping to break it."

Also, we have Tamar Nordenberg, who said in the *FDA Consumer* in November-December 1997: "Chewing nicotine gum may not be the right choice for those with joint disease or for those with dentures or other vulnerable dental work." This person also says that these products do have potential side effects as well. For example, "a mild itching, burning or tingling at the site of the patch when first applied is normal, but should go away within about an hour. After removing the patch, the skin might be red for up to a day. If the skin develops a rash or becomes swollen or very red, a doctor should be consulted. The patch may not be a good choice for those with skin problems or allergies to adhesive tape."

We always have to be cognizant of all of the impacts of the use of these products, whether it is the patch or



whether it is gum. As I say, at the Ministry of Health we have a responsibility to make sure that we have taken into consideration any of these negative consequences. We are reviewing our decision and we hope to be in a position where we can make some comments very soon.

I would just emphasize that promotion is extremely important for our government. That's why, when you take a look at the five primary care pilot projects in this province, we've actually, in working with the Ontario Medical Association, included an opportunity for them to be reimbursed for any consultation that they do with their patients when it comes to prevention and focusing on health promotion. Again, we talk about maybe the dollars aren't on that line, but we are now, for example, prepared to reimburse physicians for focusing on health promotion and prevention. We're trying to integrate some of these activities and not isolate them, but make them part of the whole. Certainly, there's a tremendous amount of diabetes education taking place. When we've made our announcements in recent months about the diabetes additional priority funding, it has included money for diabetes education. We're extremely focused on the need to promote and prevent health care problems.

**Mrs Boyd:** Let me suggest to you that there's almost no product that you can buy over the counter in a drug-store that might not cause some problems. You talk about the adhesive tape. Surely you're not going to say we shouldn't have adhesive tape over the counter. Aspirin: over the counter for years. Sure, it can cause internal bleeding, but the benefits outweigh the negatives. The same with all sorts of things. If you're looking for a reason not to allow this to happen, sure, you'd be able to find a few negative comments in all of the research. It strikes me that it is passing strange that you would continue to take this position when no other government in Canada does.

**1640**

You gave me a perfect segue, talking about physician services, because in doing the mathematics — and I'm now on page 82 — between the actuals spent on physician services in 1996-97 compared to what you're estimating for the coming year, I see an increase of \$447,101,903. How much of that increase of \$241,807,675 between 1996-97 and the interim actuals for 1997-98 and the \$269,700,000 that you're increasing those payments for — how much of that payment is for prevention and promotion in these new five primary care projects?

**Hon Mrs Witmer:** We would have to get that information for you.

**Mrs Boyd:** I'd certainly be interested in having it, because I must tell you, I think that's a shocking increase for physician services. I need to say to you very clearly that, having read the agreement that you signed with the OMA, which clearly said that you could not, for the three years of the agreement, transfer anything out of the fee-for-service pool into alternate payment plans, it's a really fine question to wonder how much of those additional dollars are additional dollars you're spending on those five primary care projects. It's very interesting that you've set these projects up when there's such a control over those

dollars, particularly since, in discussions with Dr Thoburne of the OMA, he even takes the position that the \$36.4 million that you had promised to pay for globally funded group practices, which hasn't been flowed, would have had to come out of that amount of money and wasn't in fact a discreet amount and therefore couldn't have been flowed anyway. I wonder if you'd comment on those issues.

**Hon Mrs Witmer:** You're looking at the \$269 —

**Mrs Boyd:** Between 1996-97 and your estimated actuals for 1997-98, there's a \$241,807,675 difference. Then we see in your estimates that you're adding another \$269,700,000 for next year. That's almost a \$450-million increase.

**Hon Mrs Witmer:** That increase in the OHIP transfer payment I guess is what you're referring to. That is due to increased population growth, demographic changes and utilization. Also, there is additional funding in there to meet the increased demand for medical and laboratory services. Also, I think we need to remember that as the population is aging we are seeing increased utilization, so certainly some of that addresses those issues. That is what is reflected here.

**Mrs Boyd:** None of this is an increase in the fees?

**Hon Mrs Witmer:** There is an increase of 1.5%, as you know, that was allocated in each year for the physicians —

**Mrs Boyd:** How far over that cap did they go?

**Hon Mrs Witmer:** They did go beyond the cap and, as you know, we are working with them in order to ensure that the increases remain at the 1.5%.

**Mrs Boyd:** I'm sorry. They went over cap last year. Are you meaning that you might scoop them back in this year? Because you're not allowed to do that under your agreement. You're not allowed to clawback. How do you plan to deal with the fact that they were over your cap, and how much were they over the cap?

**Hon Mrs Witmer:** I'd ask Mary Catherine Lindberg to address that issue. She has been working with the physicians and certainly has been working to ensure that we continue to deliver high-quality services to people in this province and stay within the negotiated terms of the agreement.

**The Vice-Chair:** Welcome, Mary Catherine. Could you please read your name into the record.

**Ms Mary Catherine Lindberg:** Mary Catherine Lindberg, assistant deputy minister, health insurance and related programs.

You want to know how much they were over their cap last year?

**Mrs Boyd:** Yes.

**Ms Lindberg:** They were 4% over their cap last year; 1.5% of that is what we would allow them. For the other portion, we have worked with the physician services committee with the OMA and we have developed a number of items, such as adding the technical fees into the thresholds. They currently have a threshold of \$380,000 and when they reach that — that's only on professional fees. We're now going to include their technical fees that

we pay doctors on that, which will help us curb some of the utilization on technical fees.

We've put in about \$50-million worth of modernization in the schedule advances, items such as making sure that they only get paid for the services they rendered, such as a second physician seen and some of those kinds of things. We've also looked at taking the threshold away from some of the exempted thresholds that we've had in place. Some of them were exempted from thresholds and we've taken that away.

Those are some of the ideas, and there are others that we could give. We're not clawing them back; we're not putting a hold-back in. We're actually reducing the number of things they can bill, so we've tightened down on the kinds of services they bill.

**Mrs Boyd:** Who suffers as a result?

**Ms Lindberg:** The patients certainly don't suffer, because they are not denied any services. The physician will not be able to bill for some services.

**Mrs Boyd:** Let's just look at the reality. What you've done is lower the percentage of billings from 50% to 20% for home visits at the same time that physicians are more needed for home visits because you're releasing people from the hospital sicker and quicker and you're encouraging all this home care. That's one of the changes that you've made. If a physician goes over 20% of billing, then they start to see a reduction in the fee for home visits. Don't you think that's going to discourage them from doing home visits and therefore make it very difficult for patients who are on home care?

**Ms Lindberg:** What we took away was the second patient seen on a special premium visit. Is that what you're talking about?

**Mrs Boyd:** No, I'm talking about the 20% at which — if a physician bills more than 20% for home visits — you used to start reducing the fee after 50% for home visits. You've now changed it to 20%. Isn't that directly counter to the whole issue of long-term care and home care?

**Ms Lindberg:** The actual visit to the home we haven't reduced. We've reduced some of the services at walk-in clinics, but not home visits. I think you're talking about the special premiums. I'll have to look that one up.

**Mrs Boyd:** I'd be happy to find the announcement, that was the joint announcement from the joint committee, that clearly said that was one of the things you were doing.

**Ms Lindberg:** We'll look at it, but it's not clear to me that that's what we are doing.

**Mrs Boyd:** I'm all in favour of doing whatever you can to reduce this nonsense about walk-in clinics. I think that's the biggest boondoggle in the world. In fact, it amounts to double-doctoring all the time because the only way these guys are able to practise is that they tell people that they have to see their own doctors, so it amounts to double visits all the time.

I think there are many of the things that you've cut into, many of the procedures that you won't pay doctors for, that will result in patients not getting services. One of the things you've taken off the exempted list is labour and delivery. Isn't that one of them?

**Ms Lindberg:** No. You must be in attendance at labour and delivery, not just at delivery.

**Mrs Boyd:** So if he doesn't get to the hospital, he doesn't get paid?

**Ms Lindberg:** No. If he gets to the hospital and the physician attending both labour and delivery — if you deliver fast, you're still attending at labour and delivery. But if there's a doctor attending labour and a doctor attending delivery, then the doctor who's just attending, not delivering — if you get there and deliver, you get paid for it. If you attend labour you get paid for it. But if you're the second physician coming in and watching the delivery and just attending, not delivering — you have to be attendant at labour and delivery. By attendance it means you're the second doctor, not the first doctor.

**Mrs Boyd:** Do we have a problem —

**The Vice-Chair:** Thanks, Mrs Boyd, and thanks, Mary Catherine. We'll move to the government side now.

**1650**

**Mr Parker:** Minister, one of the areas of treatment enhancement that has received some profile in the last few years has been the availability of kidney dialysis services. It seems like every time I open my mail there's another announcement out of your ministry announcing some new dialysis service that's been made available somewhere in the province.

I haven't tracked it all and tried to piece together how it all fits and just what the total pattern is. I wonder if we could take this occasion to have you walk me through what the status of kidney dialysis service in this province was at some point in the past — pick a point — and then walk me through what's happened in the past few years and where we are now.

**Hon Mrs Witmer:** I'll go back to 1995. Since that time, our government has invested more than \$73 million in dialysis services across the province. We've already spent \$25 million to create 20 new dialysis centres across the province.

One of the areas, obviously, that was a priority for us was eastern Ontario. Last week we did announce that we're going to be providing dialysis services in eastern Ontario, one of them being in Mr Cleary's riding, Cornwall, one being in Ottawa, and one in the community of Brockville. We also approved in December 1997 the expansion of dialysis services at Renfrew's Victoria Hospital and also Kingston General Hospital's Belleville satellite unit. As you can see, much of the recent activity concerning the expansion of facilities and construction of new facilities is taking place in eastern Ontario.

There is growth as well in other areas, and I'm proud to say that today we have 22 regional dialysis centres and 34 satellite centres. Of course, with the satellite centres we're able to provide services closer to people's homes. That's obviously much less stressful for people, and as people are aging it means less driving. We're certainly proud of what we've done.

Another very exciting project is in Mrs Boyd's community. At the London Health Sciences Centre I actually made an announcement there that \$3 million would be



used for a project that would involve two innovative ways of treating dialysis patients within their own homes. One of the pilots is night dialysis; the other is day dialysis. Again, we hope that as a result of that initiative this is another means that will be available to people. It will mean no travel at all, and people obviously will be able to continue with their jobs and all of the other activities.

In 1997-98, we made an \$18-million investment: \$14.3 million was used to treat 450 more patients in the province, and \$3 million went to the London Health Sciences Centre. As well, a \$25-million expansion and relocation of services was announced in 1995.

Overall, what we are endeavouring to do is to bring the services as close to people's homes as we possibly can. We are working on reducing the incidence of diabetes in the province. We are particularly targeting people in the north, seniors and aboriginals. I'm very pleased to say — we've talked about health promotion and illness prevention — we have set aside \$5.8 million over three years for diabetes education. I know people across the province are extremely grateful for the investments that are being made and the fact that today we have 22 regional centres and 34 satellites.

**Mr Parker:** May I ask a follow-up question?

**The Vice-Chair:** Yes, and then it's Mr Young's turn.

**Mr Parker:** Can you help me understand the difference between a regional centre and a satellite centre? I'd like to know more about the in-home dialysis as well.

**Hon Mrs Witmer:** The regional centres are the centre of activity, and the satellites are satellites of a regional centre. For example, I guess I can relate to my own community of Kitchener-Waterloo, where we have the Grand River hospital being the regional centre and we have a satellite in Guelph. People in that community would formerly have had to travel to Kitchener. Now, of course, they can receive the dialysis in their own community.

In the satellites there are those who are treated who obviously are receiving a different type of service than could be provided in the regional centre. They are the less serious cases. But I'm again going to ask again Mr Sapsford to respond specifically as to the opportunities in the regional centres.

**Mr Sapsford:** Basically, the regional centres provide full medical service for kidney treatment, including in-patient services. The satellite clinics are designed for people who are essentially living at home and can attend several days a week for dialysis directly in the satellite. As well, the satellites will provide monitoring for people who are receiving dialysis at home. Sometimes people have their dialysis at home while they sleep during the night, for instance. So there are a number of modalities for dialysis treatment, and depending upon the severity of the illness and the condition of the patient, they can move back and forth from the regional centre.

The regional centre provides the overall clinical direction, and when the patient has an onset of serious or acute illness, the referral back to the regional centre for acute care would take place.

**Mr Young:** I wanted to try and get a better understanding of long-term funding in relation to drug therapy and its relationship to other therapies. You said that the greatest increase in health spending in one year was in fact the drug budget at 17.7%. Is that correct?

**Hon Mrs Witmer:** Yes.

**Mr Young:** And that our government had introduced 500 new drugs on to the drug formulary for people who need them.

**Hon Mrs Witmer:** Yes.

**Mr Young:** In addition to that, I understand the previous minister in our government as well made available under the Trillium drug plan free drugs for those in need who are the working poor, to about 240,000 Ontarians. I assume that explains a lot in relation to the costs going up, as well as the fact that 4,000 to 7,000 more people a month turn 65 and more people are now in home care.

What I wanted to ask you about is the relationship between drug therapies and the fact that we use a silo funding model. If I could give you examples, that might be helpful.

For instance, if you have a hiatal hernia, you can have it repaired surgically and the operation would cost, I guess, between \$5,000 and \$10,000. But they don't do it very often any more because there are drugs like Zantac that you can take that get rid of the symptoms, so you don't have tremendous heartburn and you can sleep at night etc. So you have an expense on one side, and on the other side you save on hospital stay and surgery etc.

Another example might be some drugs that treat asthma. If you had a new drug come on the formulary that treated asthma, you would not have the hospital stay and you wouldn't have the hospital visit etc.

Another one that comes to mind is a drug that would support or help particularly elderly women who might suffer from osteoporosis. I don't know the name of it, but what it does is, if someone takes a fall, there are fewer broken bones, less surgery and pain, and less expense as well related to that.

Long term, is there a plan to have a way to demonstrate that with drug therapy, although that particular silo spending is going up, there are savings in the other silos, in the other budgets within your own ministry, so that we can make sure we're doing the absolute right thing for the patient?

**Hon Mrs Witmer:** I'm going to ask Linda Tennant to respond to that particular question, but you're right. Certainly drug therapy has really made a difference in the way health services are provided in this province. The additional access to new and enhanced drugs really is meaning shorter hospital stays. It's preventing people from being readmitted. It's had a very positive impact. There have been additional costs, and I guess we need to be sure that somehow, as costs increase in the drug envelope, we're able to achieve some savings on the other side.

1700

**Mr Young:** I don't think there are any easy decisions in health care, but I understand the previous government removed over 200 drugs from the formulary. With regard



to any specific drug, I don't know if that was a mistake, but I think it's a mistake to look at each in a silo without relating it to where savings are elsewhere.

**Ms Tennant:** Linda Tennant, drug programs branch. The psychotropic drugs on the system are looked at by our expert advisory committee, the Drug Quality and Therapeutics Committee, through something called a pharmacoeconomic assessment, which as of March 1996 became mandatory in all drug submissions.

In the pharmaco-economic assessment, the drug manufacturer is required to show the impact of the drug not just on the patient in terms of health outcome, but on the other parts of the health system. They have to be able to demonstrate in a cost-benefit analysis if there is a reduction in hospital days or if it enables faster discharge to home care or if it facilitates mental health reform in the case of the two new anti-psychotic drugs. The expert advisory committee takes that into consideration in assessing the product.

Ontario, in fact, is one of two jurisdictions in the world that is a world leader in the development of pharmacoeconomics and their application in this particular field to prevent the silo thinking within the health care system.

**Mr Young:** I have another question related to a private member's bill I recently introduced, which is to address substance abuse among our youth. The bill was designed to address the most serious substance abuse, which is cannabis and LSD and speed. Sometimes they don't even have the money to buy that, so they'll take excess doses of Ritalin or Tylenol, whatever, depending on what kind of neighbourhood they live in and how much money they have.

In introducing the bill, the hardest decision I had to make was whether to include tobacco or not. I included tobacco because in many cases they go hand in hand. I'm not saying tobacco use leads to drug use or cannabis, but they do go hand in hand. For instance, our youth can put hash oil on the end of a cigarette and the parents drive by the school in the morning and they say, "There are some teens having their last puff before they head into class," and it's not actually just tobacco; it's a powerful joint.

Canada has the strongest marijuana in the world, the police tell me, because it's grown indoors hydroponically. But as well, that's where they hide drugs when they take them into school, in a cigarette pack, and it's difficult for the principals and vice-principals to say, "Hand them over."

In addition, 30,000 to 40,000 Canadians die a year.

I wanted to try and address the fact that that's how our young people begin an addictive lifestyle that leads down a path that sometimes leads to death by cancer or other respiratory diseases.

I wanted to ask you if there's any way that such an initiative might fit in with a drug strategy at the Ministry of Health or if it's supportive of your long-term intentions.

**Hon Mrs Witmer:** As I've said not only today but at other times, we certainly are most concerned about the young person, the pre-teen, the teenager, who obviously is experimenting and does start to use on a regular basis

tobacco or other forms of drugs, and obviously we include in there alcohol as well.

We'd certainly be prepared to take a look at the bill that has been brought forward and be pleased to incorporate it in any strategy that we would develop. It personally does concern me to see the number of young people today who are starting to use drugs, whether it's tobacco or some of the others. We'll do what we can.

We have certainly indicated to the stakeholder community, particularly those who have a strong interest in eliminating tobacco use, that we want to work with them, we want to work with some of the experts in the province, in order to ensure that we can develop a strategy that is going to make a significant difference and will reduce the amount of usage in this province.

**Mr Wettlaufer:** Minister, last week the Liberal health critic, Gerard Kennedy, presented what he called a rather detailed analysis of hospital restructuring to this committee. I've noted over the course of the past year that some of Mr Kennedy's detailed analyses are not exactly detailed; they're quite often flawed, poor information. I wonder if the ministry has had an opportunity to review his analysis yet.

**Hon Mrs Witmer:** Yes, last week there was information that was presented and I had asked the ministry staff to very carefully analyse the information that had been presented. I think certainly one of the concerns we had is that we weren't quite sure what factual information was being used to come to some of the conclusions.

Although the complete analysis is not yet finalized, I do want to indicate that thus far there are certainly several entries on the report that are not factually correct. For example, he indicated that in 1996-97 the ministry reinvested only \$200,000 in long-term care and community care funding. We did actually reinvest \$20.9 million for those services, so that's certainly quite a significant difference.

Also, the claim was made that by the end of 1997-98 the ministry only put about \$64.4 million in Metro Toronto, when in fact the correct number is \$74.6 million. Also, taking a look at the GTA, the government did not spend, as was stated, \$29,212 for new and long-term-care community funding for the GTA in 1996-97. We actually invested \$11.1 million, which is quite a significant difference.

I want to point out too that we've already announced an investment for long-term care that exceeds the one that was recommended by the Health Services Restructuring Commission. In fact, our long-term-care announcement of \$1.2 billion was one that was fully supported by the commission, and they have indicated their support.

The report also does not appear to fully reflect all of the investments that we made in 1996-97 and 1997-98 for long-term-care services. That includes our investment of about \$130.6 million for close to 500 community-based programs. Really, the list goes on and on and on.

Many of the communities in this province were totally overlooked in the report. There was a focus on only seven cities, and yet the commission has made final recommen-

dations in many other parts of the province. I think Pembroke is a very good example of a community which has benefited tremendously from hospital restructuring.

As I say, we're not sure where some of the information comes from. It may perhaps be based upon the commission's advice to the ministry about appropriate expenditure levels. I think we need to understand that the ministry considers that advice but we actually establish our own actual expenditures for hospitals and long-term-care services. So that's important.

Also, the report last week totally ignored the \$675 million in capital investment that this ministry has already committed to ensure the development of modern, state-of-the-art hospitals to provide care into the next century.

It also doesn't consider the fact that we have directed people who provide health services to eliminate waste and duplication. We want to make sure that any money spent is spent on front-line care. We need to remember that absolute expenditure levels don't tell the whole story. We want to make sure we have a health care system that we can sustain and that the system can deal with the additional demands of the aging and growing population.

At this point in time it appears that many of the statements of last week are based on some very speculative long-term assumptions, so they are somewhat unreliable.

I want to emphasize categorically that our government is not transferring any money out of the health envelope. We are indeed increasing and have increased health spending in each and every year. We are today spending in excess of \$18.5 million. So we'll continue to analyse.

**Mr John Gerretsen (Kingston and The Islands):** Million or billion?

**Hon Mrs Witmer:** Billion, sorry. That's right. Billion is difficult to comprehend when you're spending so much.

1710

**The Vice-Chair:** Thanks very much, Minister. We will go to the official opposition.

**Mr Cleary:** I want to thank you for the announcement last week on the dialysis. It gave a little bit of hope in our part of eastern Ontario since the last announcement on April 24, 1996. My question to you is, when will the licence be issued?

**Hon Mrs Witmer:** I'm going to ask ministry staff to maybe define more clearly when the licence may be issued.

**Ms Lindberg:** For a licence for an independent health facility, you have to give 60 days' notice to all the proponents prior to issuing the licence. Once we write a letter saying we have the intent to issue a licence, you have to give them 60 days to come back or make a reference to us, a referral to us if they don't agree. We give them that kind of notice. Then the licence is issued. It's just a notice period.

**Mr Gerretsen:** I'm sorry I wasn't here at the beginning of the meeting, but I was in Kingston listening to the minister announce through her health restructuring committee the closing of the latest hospital in Kingston, a hospital that has existed for 153 years.

I want to go over some of these figures with you since I'm sure you're fully familiar with this. I assume you got a copy of their report today, or your ministry did. There, it's coming right now. I knew it would be here. I'm sure you can fax something quicker to Kingston than you can drive from Kingston to here, so I'm sure you have these figures.

First of all, I want to be clear about this. The report says that the commission recommends a total of \$108 million to upgrade and expand Kingston's hospitals to meet the health service needs of the 21st century. The first thing that I want to hear from you, categorically, unequivocally and clearly: Is that a commitment by you and your government right now to reinvest \$108 million into Kingston hospital upgrading and expansion?

**Hon Mrs Witmer:** The commission made that recommendation today, and you're wondering if we're going to be making that investment?

**Mr Gerretsen:** Right.

**Hon Mrs Witmer:** Once the final directives have been issued, our ministry becomes responsible for the implementation. There will be further dialogue with the Frontenac, Lennox and Addington community, to determine what the actual figures will be. Then within a few months we hope to share with you the final number. Obviously, we need to take a look at some of the functional programs.

**Mr Gerretsen:** Your commission, which you set up and created, isn't saying that. Dr Rob Williams, commissioner, made the categorical statement that that would be the reinvestment amount — minimum. Depending upon what else can be discussed, I can understand that these figures go up and down, particularly up, since I understand that in most municipalities, in most situations, the for — capital improvements have gone up quite significantly from what the estimate was. He is telling people, in my community anyway, that that is going to be a commitment and that so far the ministry has delivered on every one of the commitments.

What I want from you, since you are the minister in charge of this \$18.5-billion department of the government, is, are you making that commitment, that the minimum reinvestment will be the amount of money the commission has stated it will cost to upgrade the capital facilities? Yes or no?

**Hon Mrs Witmer:** I think it's important that we review the process. I think it would be premature for me to make a commitment, having just received the final directive from the commission ourselves today. As I say, now it is our responsibility to review the final directive, to work with the community and also then determine what the final dollars and cents figure will be. I'm going to ask Mr Sapsford to take us through the process as to what is going to happen as a result of us having received this report today, because it now becomes —

**Mr Gerretsen:** We can talk about the process later on, but your commissioners are out there saying that's the minimum amount that will be made by way of capital reinvestment. If they're saying something different from what you're willing to commit to, I think you should get that directive out to them that they shouldn't be telling



communities that sort of information. That's what they're telling the Kingston people and the Kingston media today, that that would be the minimum amount of the reinvestment.

**Hon Mrs Witmer:** As I say —

**Mr Gerretsen:** If you're not willing to make that commitment, then you should get together with them. Rather than worrying about the process, how you deal with this — I'm willing to do that; I just don't want to waste my time on that process right now because I have a couple of other questions. The fact sheet that they've handed out shows that the total annual saving is going to be \$52 million per year — I assume this is on the operating side of things — and that the total investment, on the other hand, is going to be \$1.3 million in home care, \$7.3 million for long-term-care spaces — that's about \$8.2 million in total — plus another \$27 million in annual reinvestment in home care, subacute care, long-term care, rehab and mental health, which I total to be about \$35.2 million.

We've got \$35.2 million being new investments on an annual basis, and we've got savings of \$52.1 million. What's happening to the other \$19 million? From statements you've made, I've always gathered — and I take you as a person who can be taken at her word — that's going to be reinvested in the community in health care. From the figures that have been presented in this report, it would seem that we're \$19 million short. There's \$52 million annually coming off the operating side of things, and there's about \$35 million going in new services on the operating side. What's happened to the extra — I may be off a million — either \$17 million or \$18 million? What are you doing with that.

**Hon Mrs Witmer:** I would need to get that information for you, Mr Gerretsen. I'd certainly be prepared to do so. We just received the report ourselves today. We haven't had an opportunity to thoroughly review it, but we'd be prepared to get some of those answers for you.

**Mr Gerretsen:** I know a significant amount of that has already come out. But as to the statement that's being made continually by you, that you're going to reinvest the same amount that you're taking out, the commission's figures released today indicate there is going to be at least a \$17-million or \$18-million discrepancy there. Is some of that money being used for the restructuring, the \$108 million which will be needed for capital expenditures, of which I understand the local community has raised 30%? Is that what that money's being used for? In other words, are you going to use some of the no-longer-required operating funds for capital purposes?

**Hon Mrs Witmer:** This has been received by us today. We'd be prepared to respond to each and every question you have as quickly as we can.

1720

**Mr Gerretsen:** Let me ask you a general question, then. Are you taking the savings in different communities where the Health Services Restructuring Commission has come up with a savings amount — I assume that in every community they've come up with a savings amount on the

operating side of things — and taking some of that money to actually do some of the capital upgrading that's required?

**Hon Mrs Witmer:** Mr Sapsford, do you want respond to that?

**Mr Sapsford:** The savings figures that the commission uses are a methodology to determine siting and to determine the consolidation of physical plant. They started in 1995-96 as the base year, so the first point I would make is these are not savings that are yet to come out of hospitals. Because of the fiscal plan of the government in the last two years, much of that savings has already been achieved.

**Mr Gerretsen:** I understand. About \$26 million of that has already come out. What I am asking is, the government has made the statement over and over again that all the savings that have come out are going to be reinvested in health care in the different communities. What I want to know is, show me that is so in this particular case.

**Mr Sapsford:** In terms of the overall investment, certainly in terms of the capital investment, that money is going back many times over in most communities. As well, the additional investments in long-term care and mental health that are being announced are meant to close that gap as well. In some communities there will be significant investments well beyond savings levels, depending upon pressures of growth for service.

**Mr Gerretsen:** But by the same token there are also going to be communities where the amount of capital reinvestment is going to be quite a bit less than the amount that has been saved, if you're going to spend the same amount of money. You can't be giving some communities more money, from the same pot, without giving other communities less money.

**Mr Sapsford:** The total amount of savings that has been taken out is \$800 million, today's, and the investments of the government are well beyond that in terms of the costs that have been absorbed. I think the point made earlier is that the overall expenditure for health is growing at a faster rate than the amount of savings that have been taken out.

**Mr Gerretsen:** When you say overall, are you talking about province-wide?

**Mr Sapsford:** Yes.

**Mr Gerretsen:** So then some areas of the province are getting more money because of population changes or whatever than other parts of the province. Is that correct?

**Mr Sapsford:** That's correct.

**Mr Gerretsen:** By the same token then, there are some communities that are going to have less health care dollars spent in their communities than other communities.

**Mr Sapsford:** That's also correct.

**Mr Gerretsen:** Right. So when they're talking about there being savings of \$52 million per year projected and a reinvestment of \$35 million per year, that community, whether it's my community or somebody else's community, in effect is losing \$17 million to \$18 million per year.

**Mr Sapsford:** On the overall operating base.

**Mr Gerretsen:** On the overall operating base.



**Mr Sapsford:** That is the calculation —

**Mr Gerretsen:** Well, sir, I have to congratulate you. You are the first person in the ministry, or the minister herself, who has at least given that much of an acknowledgement in the last three years that I've been here. If you're spending the same amount of money across the province and there are population shifts, you are going to be spending more money in some parts and that money's got to come out of other parts of the province. Anybody who denies that —

**Mr Sapsford:** That's the basis on which the commission has put together its reports and that's their advice to the government.

**Hon Mrs Witmer:** I guess what's important, Mr Gerretsen, is to remember that what we're trying to do is to ensure that people across this province, no matter where they live, hopefully will have the same access to high-quality services. If you take a look at the long-term care announcement we made, for example, and the fact that 20,000 new beds are going to be built, there are going to be communities now in rural and northern areas where people aren't going to have to travel to cities. They're going to have the long-term-care facilities constructed in their own communities.

Yes, there is going to be a redistribution of some of the health dollars, but that was the reason for setting up the commission, to ensure that people across this province would have equal access to health services.

Let's take a look at Renfrew, for example. Before our government took office, when you took a look at the long-term care, there wasn't equity funding. We've introduced equity funding to ensure that with community services, long-term-care services, you have equal access to those services no matter where you live. So yes, there will be redistribution, but hopefully —

**Mr Gerretsen:** How do you explain this, Minister? There are currently in the Kingston area 225 long-term mental health beds. As a result of a reconfiguration of the district — some of it's being lost at the west end, in the Hastings area — Mr Williams confirmed today there are 40 beds being lost, which would mean, if you went on the old bed numbering, there are 185 beds for the catchment area that will still exist.

How can that community possibly get along with only 74 long-term mental health beds in the same reconfigured catchment area when it goes from 185 to 74 beds? What is going to happen to the 115 people who occupy those beds, when there aren't any community care facilities or programs currently available for them?

These people are going to be walking the streets or living in flophouses or living, as a lot of them already were — also as a result of a Conservative government's attempt about 15 to 20 years ago to put a whole bunch of these people out on the street under the guise of reintegrating them into society — in deplorable conditions, three or four in rooms that anybody would be absolutely ashamed of to have people living in them. How can you, as Minister of Health, possibly justify that kind of situation where a community goes from 185 beds to 74 beds?

**Hon Mrs Witmer:** I'm not sure what figures you are looking at. My figures are —

**Mr Gerretsen:** I'm looking at the figures that were given today by the Health Services Restructuring Commission, not by anybody else's propaganda, by their figures.

**Hon Mrs Witmer:** There is no point assessing blame for the deinstitutionalization.

**Mr Gerretsen:** I'm not assessing blame.

**Hon Mrs Witmer:** That's right. Because the reality is, Mr Gerretsen, three different governments of three different colours have had an opportunity to deal with the issue of what we do with those who suffer from serious mental illness.

Certainly Marion Boyd is well aware of the fact that a strategy was developed about five years ago. We have just reviewed that strategy because it became apparent that again there was a need to take a look at the situation because people are not receiving the community services that are necessary.

Our government also put a moratorium on the deinstitutionalization and the closing of the psychiatric beds. In fact, very recently I made an announcement in Toronto that we were investing \$60 million in additional dollars to help those with mental illness. We are putting in place community treatment teams in order that people who no longer need to be in the residential care setting are going to have support 24 hours a day. We have court diversion programs that we've set up.

**Mr Gerretsen:** It's not happening out there.

**Hon Mrs Witmer:** The money was announced a few weeks ago. I will tell you it was very well received, not only by those who suffer mental illness but by those who provide the services. They said we're on the right track. We are developing an integrated, comprehensive mental health strategy. We're building on what was started by the NDP and we're going to improve upon it. I can assure you that we're all concerned about helping these individuals and making sure there is 24-hour support.

**Mrs Lyn McLeod (Fort William):** Let me tell you, it's always a bit dicey when a northerner walks in to hear somebody talking about equal access to health care. But in three minutes I'm not going to get you into northern health travel grants, as much as I might have liked to.

I really came in because I wanted to follow up on the issue that Mr Gerretsen was just raising specifically in terms of mental health and to follow up on a question that I had an opportunity to ask in the House. That is about the planning for community care services to replace psychiatric beds that have been closed.

The recommendations, as you know, from the hospital restructuring commission were that mental health agencies be established. They've continued to stay with that recommendation in order to deal with whatever dollars are to be reinvested — and we don't know that yet in our community — and to do the planning for the community services that are needed.

There is a lot of question about why the mental health agency has not been appointed and whether or not the

ministry is backing away from that and is not even going to do a pilot project mental health agency in Thunder Bay. I'd like to ask you for an explanation of what the planning process is going to be. Is the mental health agency going to be pursued? If it's being abandoned, what is the alternative?

1730

**Hon Mrs Witmer:** In light of the fact that Mr Newman, the parliamentary assistant, had done an analysis of the strategy that had been developed and of the need to make some changes to the strategy, we took a look at the status of the northwestern Ontario mental health agency, and we are working with them, as we were directed to do by the Health Services Restructuring Commission. We're reviewing the advice and we're reviewing as to whether indeed we will proceed in that direction. We want to be absolutely certain that when we do move forward with providing the community care for people in northwestern Ontario, it is the best system we can possibly put in place. As I say, discussions are under way. We're reviewing the commission's recommendations but we have not made any final decision.

**Mrs McLeod:** We haven't seen an alternative, though, so we have no way, as people in northwestern Ontario, of commenting on whatever alternative there would be. There's a very strong feeling that there needs to be an agency that is dedicated to mental health. One of the concerns is that the alternative you're considering might be tied into the regional district health councils and the concept of integrated care being provided through the health councils.

I see you shaking your head. I'm trusting that means that's not the alternative you're considering, because we really hope there will be a dedicated agency in mental health.

**Hon Mrs Witmer:** I appreciate that information.

**Mrs Boyd:** Just following up in terms of the mental health reform, we're very concerned in London, for example, that there continues to be a delay in the transfer of the two psychiatric hospitals to St Joseph's Health Centre, which was recommended and was supposed to happen in January, then was supposed to happen in April, and still hasn't happened. We're concerned about that because in the meantime we're not quite sure who's home and who's responsible. You've made a commitment that people aren't being released and beds aren't being closed, but beds are being transferred between those two hospitals —

**Hon Mrs Witmer:** Yes, they are.

**Mrs Boyd:** — and people are losing services as a result. Who's in charge and why the delay? I want you to know that the longer the delay, the more the opposition to that grows among those who have been in opposition, and the more it becomes the rumour that passive aggression has overtaken the whole process and nothing's going to happen.

**Hon Mrs Witmer:** I've actually had an opportunity to meet with some of the employees of the two centres. I've also met with some of the union representatives, the pro-

fessional staff, as well as the administration, because I know this has been an issue of concern.

First of all, let me confirm that we do support the advice that was given us by the HSRC that the governance and management would be transferred for both London and St Thomas psychiatric hospitals to St Joseph's Health Centre. I can assure you that programs and services are being maintained during that time period. Our staff are currently working with the St Joseph's Health Centre people to implement the recommendations of the commission.

I want to stress the fact that we want to be absolutely certain that before we close any beds we do have the appropriate community services in place. Again, the DHCs in southwestern Ontario are also working and helping in that respect to develop some plan as it relates to the eventual closure.

We have recently invested \$4.869 million in community-based mental health services in southwestern Ontario. As a result of that initiative there is the capacity now for crisis intervention, case management, outreach, community treatment teams, peer support and family support. We believe we're getting closer to a point where we can move more rapidly on the recommendations as soon as we see the results of the reinvestment.

**Mrs Boyd:** You talk about the reinvestment that you've made as being community-based reinvestment but in fact it's a grant to the hospitals to set up community action teams. Is that not correct? Basically, they're still hospital-based. We're getting a very blurred line between what's community-based and what's hospital-based. Survivor advocates in the mental health community are very concerned that that \$60 million went to further psychiatrize the problem rather than what was always meant by moving services into the community: taking them out of the medical model.

When you talk about that as community-based, it's rather disturbing to those who've been working in this field for a long time. While you may argue that it's community-based because people aren't actually living in the institution — they're out in the community and the institution is coming to them instead of the other way around — it certainly is not the philosophy of care that most survivor advocates have looked forward to as community-based services.

**Hon Mrs Witmer:** I will tell you, the review of the mental health strategy and the recommendations that were received were developed in consultation with hundreds of stakeholders in Ontario, and the recommendations that came forward by Mr Newman were extremely well received. There's been very strong support for the initiatives that have been recommended.

**Mrs Boyd:** I just need to comment to you that one of the major recommendations Mr Newman made, and one that was praised by survivor advocates, was the one recommendation you left out of your entire acknowledgement of his efforts, and that's the one that people need safe housing, they need income security, they need those kinds



of supports in the community. That's just completely missing from —

**Hon Mrs Witmer:** Actually we are moving on the housing issue.

**Mrs Boyd:** Well, you're maintaining the supportive housing. We could talk about the \$27 a day that homes for special care get. The only thing you need to know about that is, because it's such a low figure, it is becoming uneconomical for even the good ones — and all of them aren't good — to maintain those services. You need to be really aware that the communities out there, particularly communities like mine, are looking at a service delivery problem in the very near future that is by no means addressed by the kinds of actions you've taken. In fact, getting out of social housing, getting out of a lot of the programs, downloading housing to the municipalities, downloading the income maintenance to the municipalities is simply causing a great deal of difficulty in communities that may not have been particularly welcoming communities in the first place.

I think you need to be aware that there's real concern about what the long-term effect of this is going to be, however willing people are to even acknowledge that a lower level of deinstitutionalization may be appropriate if the appropriate services are there. But the money that you've flowed so far is frankly hard for anyone to translate into community services.

**Hon Mrs Witmer:** I know the deputy wanted to add something that may shed some further light on this situation.

1740

**Ms Lang:** I think it's important to clarify for you that the \$60 million did not go to hospitals. The \$60 million that the minister announced is in fact part of our community investment in a truly integrated long-term plan for dealing with mental health programs, and the fact that we now have supportive housing, part of the Ministry of Health, allows us to develop a truly integrated community response. We are working very much with the mental health community, the provincial advisory committee that the minister has, to deal with an implementation plan that does attempt to provide a continuum of services in the community. We are also working very actively with the Ministry of Community and Social Services around their income support program for the disabled and their employment supports for the disabled, to one more time make sure that we are trying to provide the range of services to those individuals so they can live in the community and have the kinds of supports and services that allow them to sustain their independence.

**Mrs Boyd:** Where does the \$54 million for supportive housing appear in these estimates?

**Ms Lang:** It doesn't appear in the estimates at the moment because the government has just made the decision, and that transfer will happen in-year.

**Mrs Boyd:** So none of the \$60 million that was announced includes the \$54 million?

**Ms Lang:** That's right.

**Mrs Boyd:** Okay. I do have a question about services, because I'm quite struck. I'm looking at the page I was looking at before about health insurance and benefits. I see here in the top part of the estimates — this is page 82 — that services in the administration of the health insurance programs have increased by 99.8%. So I started going through various pages around this and have seen incredible increases in what are called services in many parts of this budget. I think one was 358% in services. What's included in services?

**Ms Lang:** I think I would like to ask Louise Steele to come up and explain this one.

**Mrs Boyd:** While she's coming up, we were asking, just between us, where the \$54 million is coming from. What ministry?

**Ms Lang:** The \$54 million is with the Ministry of Housing.

**The Vice-Chair:** Louise, could you identify yourself for the purposes of Hansard, please.

**Mrs Louise Steele:** My name is Louise Steele, Ministry of Health. Services include a wide range of categories related to things like photocopier rental, data processing, legal services, information technology, consulting and those kinds of expenditures.

**Mrs Boyd:** If we look at page 22, for example, there is a 39.1% increase in services in the ministry's administration budget, 1401-1.

**Mrs Steele:** Part of these increases relate to a realignment of accounts that we do to more accurately reflect expenditures, but I believe they also include the realty corporation transfers that have been incorporated into ministry expenditures.

**Mrs Boyd:** If we look, for example, in the next section, page 26, which is the main office of ministry administration, there's a 323.2% increase in services, for an increase of \$3,653,100. In that line, I see here the Ontario Realty Corp chargeback, which is \$310,600. What would those other services be in the main office, in the administration portion of the ministry?

**Mrs Steele:** The main office vote, the largest part of the services expenditure is expenditures incurred by the health board secretariat and the costs associated with our operations.

**Mrs Boyd:** We go on and see that the review board, for example — I'm not quite sure of the page — certainly wasn't anything like 323% increase in services.

**Ms Lang:** Ms Boyd, if I can explain that, the health board secretariat is a staffing organization that provides support to all of the various boards that exist under statute for the Ministry of Health. The Ontario Review Board is a separate organization with separate staffing support.

**Mrs Boyd:** Perhaps you could explain to me why, in a year when you're getting rid of some of those boards, you're giving yourself a 39.1% increase.

**Ms Lang:** As Mrs Steele explained, we have been going through a process of trying to reconcile the estimates so that we are aligning the dollars to where the real expenditures were. I think there wasn't clear alignment of the various other DOE lines, and we've been trying to



clean that up through the course of the year. The Ontario Realty Corp transfer has also been reflected in these numbers.

**Mrs Boyd:** It's the only thing that's outlined. In every case we see what that chargeback is. It comes nowhere near the kind of dollars that we're talking about in increases to services. Are you contracting out a whole lot of services that used to be done by ministry staff?

**Mrs Steele:** No, they reflect realignment of our expenditures to more accurately reflect them. The overall increase in the main office is actually \$651,900.

**Mrs Boyd:** Then you must have the detail in front of you. Perhaps you could provide that for us, because in fact, on page 22, the increase is \$9,024,700.

**Mrs Steele:** That's on main office, page 26. Which page are you on?

**Mrs Boyd:** Sorry, main office is \$3,653,100, so I don't know where you got \$600,000 from.

**Mrs Steele:** In the services account. The overall increase however for that vote is \$651,900.

**Ms Lang:** Mrs Boyd, if I can explain it to you, if you look at the services, the transportation and communications and whatever other part of ODOE, you will see the net changes.

**Mrs Boyd:** I know what salaries and wages are, I know what benefits are and I know what transportation and communications is. I want to know what services are.

**Ms Lang:** As Mrs Steele explained, services are a whole range of things, including what it costs to operate various equipment and machinery within the ministry. It does deal with some of the costs associated with service contracts. It's a variety of things paid for through the other DOE line. In terms of detailed explanations, I think it's simply an attempt to reconcile where the dollars are actually being spent, as opposed to where they were reflected in previous years' estimates.

**Mrs Boyd:** I'm not particularly satisfied with that explanation.

**Ms Lang:** I understand, but I think this is an attempt on the part of the ministry to clean up its estimates. We could provide a more detailed explanation as to why we are where we are in terms of this, but I've been assured that this is an effort on the part of the ministry to realign its estimates to reflect where we've actually been spending money.

**Mrs Boyd:** Where does it come out of?

**Ms Lang:** It's all within the other DOE line. Some of the allocations of dollars were coded to things they were not spent on, so we're trying to clean it up. If you look at some of the lines, for example, transportation and communications has gone down by X amount; services has gone up. That just simply reflects that we are now coding the

expenditures according to where the moneys are being allocated and spent.

**Mrs Boyd:** So in all the past times when we were questioning the ministry about estimates, we were not being given detailed information that was correct. Is that what you're saying?

**Ms Lang:** I can't comment on previous years, as you know, but I think it's an effort on the part of the ministry to realign dollars to where they are actually being spent.

**Mrs Boyd:** I must say that DOE has for many years been the place where you hide all sorts of things under a DOE expense that you can't manage in other lines. That's why the detail about what kinds of issues are in there is important, because it's fairly clear to anybody who has been through this process a number of times that there are ways in which — I mean, this is supposed to be an accountability issue. I find it distressing to have you come and say, "Well, this is simply a realignment of expenses," when you can't explain — those are fairly significant changes; \$9 million is a fairly significant —

**Mrs Steele:** I know they were significant changes, but I think if you look at the 1996-97 actuals and the 1997-98 actuals, we actually have tried to realign the accounts to more accurately reflect where the money was spent in that year.

**Mrs Boyd:** But you understand that's no comfort to me when, if you want to look at page 22, your actuals were \$21,677,838 in 1996-97, your estimate was \$23 million for 1997-98, and you actually spent \$29.619 million. Now you're going up to \$32.105 million. This is scant comfort for people who are constantly being told how necessary it is for the government to be businesslike. This doesn't seem very businesslike to me.

**The Vice-Chair:** That just about uses up your time. Are we getting a list of those services? Did you say you were going to provide the committee with a list of those services?

**Ms Lang:** I think I indicated we would try to provide a detailed analysis as to why we have to do this realignment.

**The Vice-Chair:** Okay, that's fine.

Just before we adjourn, tomorrow, if we start on time we will be able to get the health estimates voted on, but we will not have time to go into municipal affairs and housing, because according to Viktor, our clerk, we will only have about seven minutes left. So if we can start in time, we can vote on the estimates in health, and when we reconvene, whenever that may be, we will start with municipal affairs and housing estimates. Is that fine with everyone? All right.

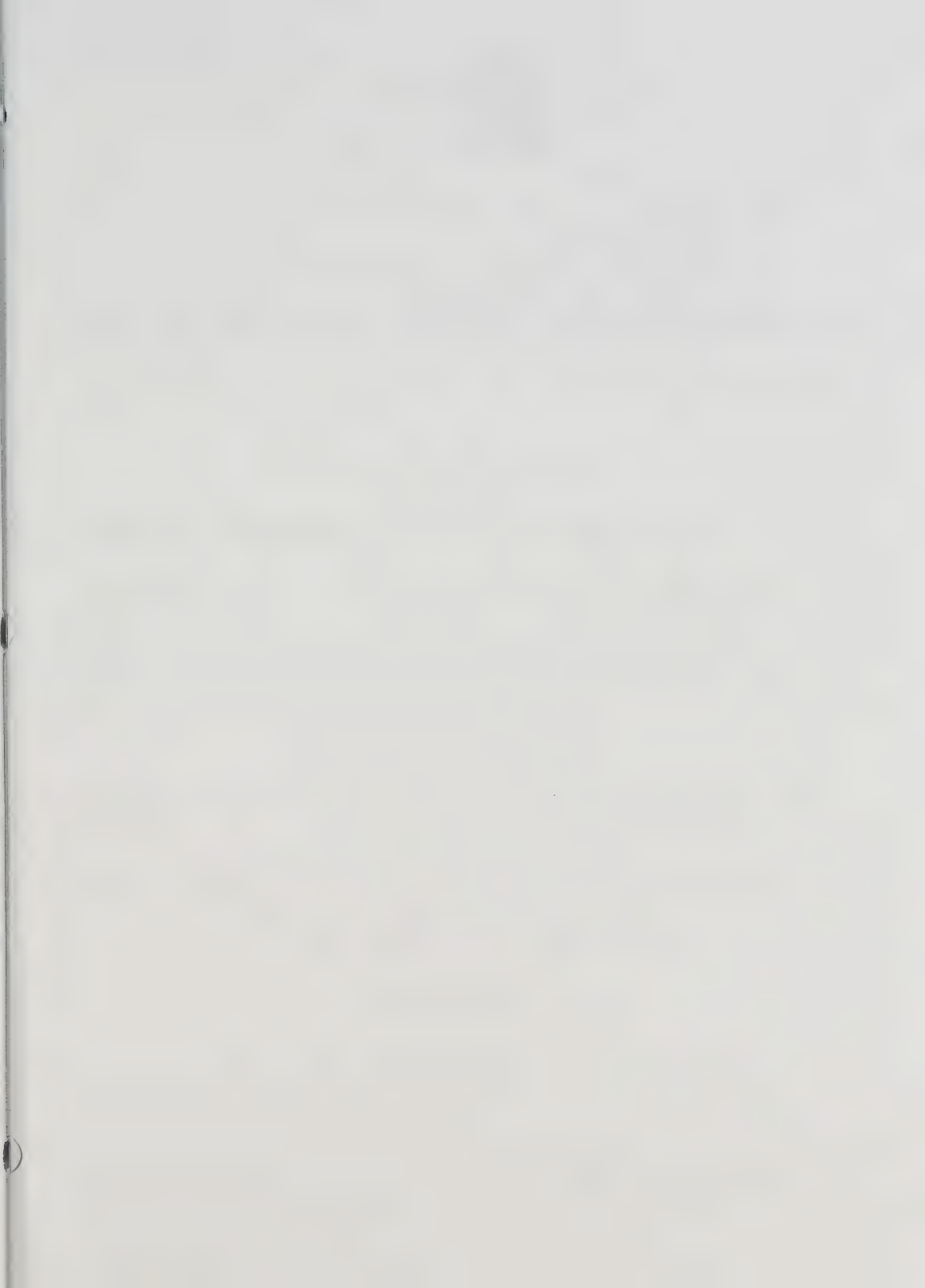
Minister, we won't see you tomorrow. Have a good time. Have a good summer. Have a good holiday or, at least if it's a working trip, have a good working trip.

*The committee adjourned at 1752.*









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**Wednesday 24 June 1998**

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**Mercredi 24 juin 1998**

**Standing committee on  
estimates**

**Ministry of Health**

**Comité permanent des  
budgets des dépenses**

**Ministère de la Santé**



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 24 June 1998

Mercredi 24 juin 1998

*The committee met at 1554 in committee room 2.*

## MINISTRY OF HEALTH

**The Vice-Chair (Mr Rick Bartolucci):** Welcome back, everyone, to what will be the last session of the estimates on the Ministry of Health. We have some material from the Ministry of Health, which has been distributed. We hope it's of some use to the members of the committee. We begin this 20-minute round with the government. Welcome, Mr Newman, the parliamentary assistant.

**Mr Trevor Pettit (Hamilton Mountain):** I too would like to welcome Mr Newman. I don't know if it's out of line to start off this way, Chair, but I just want to compliment Mr Newman again on his Safe Schools Act. I know you consulted widely and it was very favourably received in my riding. Congratulations on all the hard work you did there.

I'd like to talk a little bit about long-term care. I guess a year ago next week there was an increase of \$100 million to the LTC facility base. I wonder if you could tell us what the status of that \$100 million is today.

**Mr Dan Newman (Scarborough Centre):** Thank you very much for the question. I appreciate your comments on the Safe Schools Act. I want to assure you and all members that we will be working hard to get public hearings and ultimately third reading on that bill.

But we're here today to talk about health and health care in this province. Your question was with respect to the \$100-million increase in funding for long-term-care facilities announced almost a year ago, July 1, 1997. In the past fiscal year, 1997-98, the ministry paid \$75 million, because the announcement was actually effective July 1, 1997. The full \$100 million is fully committed as base funding in the 1998-99 estimates. I'm sure you and your colleagues noted that in papers that were filed.

The \$100 million, for your information, was split between three long-term-care facility funding envelopes, with the largest share, \$80 million, of this funding going to increased direct care services for residents. I think we've all seen in the long-term-care facilities in the ridings we represent that there have been some positive things happening to improve the quality of life for those residents in the almost 500 long-term-care facilities in this province. Direct care services are those funded under the nursing

and personal care envelope and the quality of life envelope.

The remaining \$20 million went to the accommodation envelope to support other resident services such as laundry and housekeeping services and dietary services as well. Until the July 1 increase in this funding, funding for resident care had not kept pace with the ever-heavier requirements of residents in this province. The \$100 million more than matched the care increase of resident populations since 1993. That's something we should all take note of.

The \$100-million investment also gives facilities more funds to respond to increased care requirements and to make long-term-care facilities a more viable alternative to hospital care. As I said earlier, we have seen the positive effects of that in all the ridings we represent as legislators in this province. In addition to the \$100 million, there was actually an increase of \$200,000 in funding to completely cover cost increases in WCB costs of facilities. That's also something to keep in mind.

**Mr Pettit:** To stay with long-term care, there has been a lot of very positive feedback from various health care sectors about the recent announcement, about a month or so ago, of the \$1.2 billion for long-term care. My colleague Mr Doyle from Wentworth East was with me, along with our colleagues Toni Skarica from Wentworth North and Lillian Ross from Hamilton West, when we made the announcement on Hamilton Mountain. It was a very positive reaction — I'm sure Mr Doyle would agree — from the people we were with that day. It's nice to see a government that finally recognized the fact that we have an aging population here in Ontario and that we need to plan for the future.

That announcement clearly showed the government's commitment to an aging population and it was very fitting, considering that this is currently Seniors' Month. But I want you, if you would, to tell the committee some of the spinoff advantages you see resulting from that announcement, specifically in terms of jobs and availability of programs.

**Mr Newman:** That's a very good question. I want to commend you and your colleagues for being there at that announcement. I was there making the announcement in Toronto on behalf of Toronto members. It's important to note that an extra 100,000 Ontario residents should have access to home care services through the \$551 million that has been targeted for community services. That's an extra

100,000 people. That's absolutely outstanding on the part of the government to do that. It is a very positive announcement in all parts of this province, the fact that we will have jobs created in a number of areas and that individuals who need these services will have greater access to them. We have people being employed as a result of this, and more importantly, people having access to services they need within their communities.

This funding announcement recognizes the needs of the aging population by planning now for the future. That's why the funding, as we all know, is over an eight-year period.

**1600**

You talked about jobs. The capital upgrades on the buildings will result in construction jobs. That's something positive as well. As announced in the first round of capital upgrades, there is going to be the widening of hallways. We have some facilities that may be a little older and need those wider hallways to be made accessible to wheelchairs. Also, there will be improved dining facilities for the residents of the almost 500 long-term-care facilities in this province.

This is a major investment which will create construction jobs and obviously also nursing jobs. The estimates are 7,900 nursing jobs in this province as a result of this major announcement which, I want to remind everyone, is the largest health care investment in the history of this province: \$1.2 billion. So there are 7,900 nursing jobs as we move towards this announcement.

In other health-related jobs, the estimate is actually 19,000 jobs. If you look at 7,900 nursing jobs and 19,000 other health-related jobs, that's 26,900 jobs in this province created as a result of this major announcement alone. Also keep in mind that an extra 100,000 Ontario residents will actually receive services in the community. This is very positive news for Ontarians.

**Mr Pettit:** I can reiterate, and Mr Doyle I'm sure would attest to it, that it was very favourably received in Hamilton.

One last question, if I might. As you look through the estimates book, I notice on many of the pages that the categories — employee benefits adjustment and Ontario Realty Corp chargeback — account for many of the operating decreases in various program areas. Could you or perhaps the deputy or one of your colleagues explain to us what exactly is meant by those two areas?

**Mr Newman:** That's a very good question, Mr Pettit. It's a question I'll refer to the deputy, who I think can better answer it than I today.

**Ms Sandra Lang:** I'm going to ask our assistant deputy minister for corporate services, Kathy Bouey, to come up and answer that question.

**Ms Kathy Bouey:** In terms of the employee benefits adjustment, earlier this year, in February, Management Board of Cabinet approved the centralization of unfunded liability payments that were due to an historical unfunded liability in the two pension plans. These have been paid over many years and they do not reflect ongoing ministry costs. Management Board decided to centralize these and

pay them corporately. As a result, the moneys that were currently in our budget were reallocated back to Management Board.

In terms of the Ontario Realty Corp chargeback, to better reflect the cost of programs the government implemented a policy starting April 1, 1997, that basically charged rents to the ministries for the accommodation they used for their programs. This is being done in phases, and the first phase was done as of last year, mainly office buildings. A second phase was implemented this year.

**Mr Pettit:** Thank you. It's also my understanding that the LTC facilities were facing somewhere in the neighbourhood of an \$18-million to \$18.5-million increase in WCB premiums. I'm wondering if you can tell me what, if anything, the ministry is doing to help them cope with that dilemma.

**Mr Newman:** Starting January 1, 1997, all long-term-care facilities in this province experienced a significant increase in Workers' Compensation Board premiums. The total cost in 1997 was \$18 million. When the WCB first announced the premium increases in 1997, this \$18 million was expected to almost double by 1998 to an annual cost of \$32 million. We would have seen an increase of \$14 million over that figure.

Last year the Ministry of Health assisted the facilities by providing the \$18 million on a one-time basis. The alternative would have been for facilities to reduce resident services to offset the increase. As you know, in the Ministry of Health putting patients first is what we do.

The long-term-care facilities aggressively pursued a number of initiatives last year to reduce the Workers' Compensation Board claims. As a result of their success, there was a reassessment of sectoral rates by the WCB. The actual increase for 1998 was \$200,000. The full \$18.2 million — the \$18 million from 1997-98 and the \$200,000 for 1998-99 — is now part of the base for long-term care facilities. I hope that answers your question.

**Mr Ed Doyle (Wentworth East):** Mr Newman, I know you're aware of all the discussions that have been going on throughout the country in various legislatures as well as the House of Commons in Ottawa regarding hepatitis C. These discussions are ongoing. This province, of course, took quite a lead on payments to individuals and our concern over hepatitis C patients. I wonder if you could tell us what has been happening in terms of the latest round of negotiations regarding hepatitis C. This is an issue that is not going to go away and it's obviously going to be the topic of long-range negotiations. Could you give us an update on the negotiations?

**Mr Newman:** Certainly. I appreciate the question. I know it's a question of great concern to all of us as legislators in all our ridings.

It's important to note, as you stated, that our province and our Premier did take a very active leadership role in attempting to arrive at a fair resolution on the issue of compassionate assistance. We will participate in the working group as long as it helps the victims of hepatitis C. We have been continuing our dialogue with the victims' groups on the compensation issue itself. We will



continue to fight for assistance for victims. The details of how individuals are compensated are currently being worked on by the committee made up of representatives from each province.

The federal government continues to feel that compensation is only about numbers. Sad to say, but that's what they believe. We know it's about treating people fairly, and that's why we took the lead as a province.

We believe it is imperative that the federal government take immediate steps to correct and resolve the issue. It's not whether we assist these victims but, rather, a question of when. We are disappointed that the federal government has brought no new money to the recent federal-provincial meeting to financially assist victims and advocated a do-nothing option at the interprovincial discussions.

What's important to note is that our position has not changed, not one bit. We have always believed that there needed to be support for victims of hepatitis C. This was reflected in the solution reached for the 1986 to 1990 victims.

1610

Given the stubbornness on the part of the federal government, provincial action needed to be taken to solve this problem. That is why, as a government, we have offered additional assistance to those infected before the 1986 year. Our efforts at the table led to the inclusion of haemophiliacs and the secondarily infected, whereas at the outset they were actually excluded from the package. So that's the position that Ontario has taken there.

It's also important to note that we believe compensation should be available to victims as quickly as possible. This has to be moved. That's why speedy resolution is needed for the process, because the victims cannot be expected to wait forever.

**Mr Doyle:** I had mentioned HIV while I was talking to you. I would like to know as well what kind of money is being expended on HIV research. Do you have those figures available, do you know?

**Mr Newman:** No, I don't have them.

**Mr Doyle:** Okay. I can get that from you.

**Mr Newman:** We will follow up. Can we follow up with the committee?

**The Vice-Chair:** Absolutely. The staff will make note of it and the committee members will be supplied with it.

We move over to the official opposition for their 20 minutes. Welcome, Mr Duncan.

**Mr Dwight Duncan (Windsor-Walkerville):** Thank you. I have some questions for Mr Sapsford if he's available.

**The Vice-Chair:** Welcome back, Ron. Could you read your name into the record, please, for the first time.

**Mr Ron Sapsford:** Ron Sapsford, Ministry of Health.

**Mr Duncan:** Mr Sapsford, you've recently conducted a series of meetings, both over the phone and I guess in person, with representatives of Hotel-Dieu Grace Hospital in Windsor and Windsor Regional Hospital with respect to operating funding. I wonder if you could share with the committee what the purpose of those meetings was.

**Mr Sapsford:** A number of issues related to capital construction for the hospitals as well as working with the hospitals on some of the operating pressures they're facing.

**Mr Duncan:** What were the specific requests of the hospitals on the operating side? My understanding is that those meetings, by and large, were dealing with operational issues. Could you review with the committee what the issues that those hospitals raised were?

**Mr Sapsford:** Some of them related to operating deficit pressures based on their budget estimates. Some of them related to the implementation of directions of the commission with respect to future services. Some of them related to particular issues around emergency department operation.

**Mr Duncan:** Can you tell me what the projected operating deficits of the two Windsor hospitals are for the coming year and what numbers they presented to you?

**Mr Sapsford:** No, I couldn't off the top of my head.

**Mr Duncan:** Could you give us a ballpark figure? There's been significant correspondence between yourself and the hospitals. I would have thought those numbers would be available.

**Mr Sapsford:** Not in my head at the moment. It seems to me they were talking, together, in the range of perhaps \$5 to \$7 million on their operating budget.

**Mr Duncan:** Would those numbers be available to members of the committee?

**Ms Lang:** I'm Sandy Lang, the deputy. We've undertaken to provide those numbers to the committee. We just didn't have them available for today. That was one of the questions the committee had asked us last week.

**Mr Duncan:** Could I specifically ask, then, the figures for Windsor Regional and Windsor Hotel-Dieu Grace, when those projected deficit figures will be available?

**Ms Lang:** We were hoping to have them for the committee today, but we were unable to compile them all.

**Mr Duncan:** So when would they be available?

**Ms Lang:** I hope to be able to get them to the committee before the end of the week.

**Mr Duncan:** Before the end of this week? Okay.

You're in possession of a letter from the hospitals and a report that talks about the number of ambulances that were turned away from emergency rooms up to February. Can you tell me what those figures are?

**Mr Sapsford:** Not today, no.

**Mr Duncan:** Would that information be available to the public?

**Mr Sapsford:** In terms of the report? Yes, it would be.

**Mr Duncan:** When could we receive that information? Perhaps to the deputy, when could we receive the —

**Mr Sapsford:** You're referring to the report that was commissioned —

**Mr Duncan:** Not last August. The report that was done more recently, going up to February, I believe, of this year that talked about — what do they call that? — "code 7s," when ambulances are turned away at emergency rooms.

**Mr Sapsford:** It's called a bypass.

**Mr Duncan:** Is that information available to the public?

**Mr Sapsford:** It should be, yes.

**Mr Duncan:** When could we receive that information?

**Mr Sapsford:** As soon as we can pull it together.

**Mr Duncan:** The numbers we've compiled indicate that the operating cuts to the two Windsor hospitals by the year 2003 will approximate \$46 million. Can you indicate if that's an accurate figure or what projections the ministry might have on those numbers?

**Mr Sapsford:** The hospitals would have received reductions in their operating budgets in the last two years roughly based on approximately 5% and 6% of their operating budgets as of 1995-96. At the present time there are no additional budget cuts, certainly not in this fiscal year, and I can't speculate on what they may be in the future.

**Mr Duncan:** Would the previously announced cuts all have been implemented by now?

**Mr Sapsford:** Yes, those moneys have been removed from their operating grant.

**Mr Duncan:** Our figures indicate another \$20 million will come out in the next fiscal year. Would that figure be correct?

**Mr Sapsford:** I'm not sure what you're referring to.

**Mr Duncan:** The operating transfers to the two Windsor hospitals.

**Mr Sapsford:** No. Any reductions in operating transfers took place in the last two fiscal years. There are no operating reductions.

**Mr Duncan:** Are there other reductions?

**Mr Sapsford:** There will be adjustments on billing levels for outpatient diagnostic services, but that's all I'm aware of.

**Mr Duncan:** I'm new to this process. Could the numbers, your projected transfers to those two hospitals, be made available to the committee, or have they been made available for the next two years?

**Mr Sapsford:** Their projected transfers?

**Mr Duncan:** Yes.

**Mr Sapsford:** I wouldn't have that information. We would have their current transfers.

**Mr Duncan:** But if there are no more cuts —

**Mr Sapsford:** That will be a decision of the government in subsequent years.

**Mr Duncan:** So those numbers are not available?

**Mr Sapsford:** No.

**Mr Duncan:** Thank you, Mr Sapsford.

Did I understand properly that the information with respect to the number of bypasses to the Windsor emergency rooms can be made available?

**Mr Sapsford:** Yes.

**Mr Duncan:** From the letter that you received from the hospitals?

**Mr Sapsford:** As they are reported.

**Mr Duncan:** Mr Chair, I have a couple of other questions that perhaps I can address to the parliamentary assistant or to the deputy minister.

**The Vice-Chair:** Thank you, Mr Sapsford.

**Mr Duncan:** Thank you very much. I will look forward to receiving that information.

Perhaps the parliamentary assistant could answer for me. In cancer treatment therapies — and I'm going to speak specifically about prostate cancer — there's a new therapy that's being tested, a pellet therapy, I believe. There are clinics in the state of Washington. I know the Minister of Health has met with people in Windsor to discuss the possibility of a test program with these new treatments in Ontario. I wonder if you can tell me, does the Ministry of Health fund those kinds of treatments, or would that come through the Ontario Cancer Treatment and Research Foundation?

**Ms Lang:** I'm going to ask Mr Sapsford to return to the table. Cancer Care Ontario is part of the institutional line.

**Mr Sapsford:** Cancer service and cancer treatment are provided both by public general hospitals through normal treatment as well as through Cancer Care Ontario, which was formerly the Ontario Cancer Treatment and Research Foundation. All advanced forms of cancer, particularly radiation therapy, implants of radioactive material as well as chemotherapy, are done through the regional centres of CCO.

**Mr Duncan:** Are you familiar with this pellet treatment for prostate cancer at all? Apparently the Minister of Health met with people in Windsor who are prepared to pay for a machine on a test basis if in fact the ministry will make the operating funds available.

**Mr Sapsford:** I'm not aware of such a therapy.

**Mr Duncan:** You're not aware. Could I register that as a question with the parliamentary assistant? My understanding is that the minister has had requests from individuals in Windsor, possibly through the Cancer Care Ontario organization down there, with respect to I believe it's a pellet treatment for prostate cancer that's in the experimental phase in the United States. I'd be curious to know if it's the intention of the ministry to fund pilot projects for this experimental treatment in Ontario once it gets federal approval. I'll register that as a question to try and get an answer to.

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Perhaps Mr Sapsford can answer this question, or perhaps the parliamentary assistant can. As you know, the government announced a series of new MRIs for the southwestern Ontario region. Windsor was I believe the highest priority area in the southwest region. The MRI has been provided to Windsor. My understanding, however, is that the operating funding for that MRI is not yet in place. Could you confirm that this is accurate and, if it is accurate, when does the government intend to begin providing the operating funding for the MRI?

**Mr Sapsford:** I'm not aware of the details particularly of Windsor, but there is provision for the opening of a number of new MRI machines. The current policy is that the ministry will provide an additional grant of \$150,000 per annum to support the operation of the machines.

**Mr Duncan:** My understanding is that in fact you had long discussions on this issue with local hospital officials.



My understanding is that the minister herself has been briefed on this issue by those hospital officials when she was down. I wonder if you can tell us when that operating grant will flow. There have been letters written to the minister about this issue and representations made by a number of individuals in our community. I wonder if you can tell when that funding will flow.

**Mr Sapsford:** No, I can't.

**Mr Duncan:** Is there a reason? Perhaps the parliamentary assistant can tell us.

**Mr Newman:** I'll tell you, this is the first I've heard of this issue. I was just conferring with the deputy about that.

**Mr Duncan:** Mr Sapsford participated in meetings with our hospital officials as recently as about a month ago, as I understand it, and your officials have discussed this issue. The minister will also be aware that Monday night at city council, our council passed a resolution enabling a property tax increase to support the capital cost associated with this.

The minister is also in possession of documents from the Windsor and District Labour Council where this issue was raised. I do not believe they have been responded to. I have a letter in my hand dated April 21, 1998, addressed to the Honourable Elizabeth Witmer, from the Health System Labour Advisory Committee where this specific issue is raised at length. To my knowledge, the minister has not responded. My understanding is that this issue was raised by the hospitals in discussions with Mr Sapsford and his officials and it has not been responded to.

I will place the question officially on the record today. First of all, has the letter from the Health System Labour Advisory Committee dated April 21, 1998, with respect to a number of restructuring issues from the Windsor and District Labour Council, been responded to, and is it the government's intention to provide the operating funding for the MRI machine in Windsor, which I believe is there and is ready to go and only awaits the approval of operating funds? If I could place that question, perhaps I could get an answer to it.

I don't have many more questions. I would like to find out from the ministry — and again it is perhaps unfair to put this question today, but I will place the question. Would the ministry provide me with the total number of acute care beds, chronic beds, long-term-care beds, paediatric beds, the whole range of types of beds in hospitals, that were present in Windsor in 1990? Secondly, could you also provide me with the number of the same beds that will be present once the Health Services Restructuring Commission recommendations for Essex county are implemented?

The reason I ask that question is because when one reads through both the HSRC documents and the minister's various statements, those numbers are never actually provided in any clear and understandable form. My understanding is that the total number of beds has been reduced to half and that the full reinvestment resulting from restructuring, which began earlier in Windsor than in other communities, won't happen for some time. So I will place that question to the ministry.

On table 8 of the HSRC's document dated February this year, there is a breakdown. I will put on the record the types of beds that I would like to get a report on, starting in 1990 and then the projected beds to the year 2003: acute care beds, acute mental health beds, child and adolescent mental health beds, longer-term mental health beds, complex continuing care beds, rehabilitation beds, sub-acute transitional care beds, and then the total for those types of beds.

Finally, I would like to get the same numbers for ICUs. I want the ICU numbers broken out from the acute care beds, and I would appreciate it if we could get those numbers going back to 1990, not just from 1995-96.

**Mr Newman:** Would it help you if you had community service dollars since 1995 as well?

**Mr Duncan:** Certainly, absolutely, but if we could get those broken down, that would be most helpful.

**The Vice-Chair:** You have about three more minutes, Mr Duncan.

**Mr Duncan:** I have one other question that perhaps I can address to the parliamentary assistant. Windsor, like many other communities in our province, has been designated underserved. Our local community has taken a number of very proactive steps to try and encourage doctors to come to our community, including meeting with the graduating students from all of our medical schools here in Ontario and hosting days for them to try and attract them to our community.

I'm given to understand — perhaps you can confirm this for me — that geographically at least, approximately 60% of the province is underserved from the perspective of general practitioners. Is that an accurate figure, and what plans does the government have to try and address a situation like Windsor where we are still, by the local health authority's numbers, approximately 35 to 40 GPs short?

**Mr Newman:** Are you talking in land mass?

**Mr Duncan:** No. Well, let me just ask you this. In our community, it has been identified that we need between 33 and 40 general practitioners. We have been designated underserved. The community has invested a significant amount of money, which is aimed to try and attract particularly young doctors to our community. What steps can the ministry tell me about that you're prepared to take to help alleviate what I think has been a well-identified problem in our community?

**Mr Newman:** I guess I can address in general across the province.

**Mr Duncan:** Let me just register the question from our community's perspective. The issue is well known across the province. Again, our area is short, depending on what number you read and who you talk to, somewhere between 33 and 40 general practitioners, our area being the old Essex region from the district health council perspective.

Our community has undertaken a number of very positive, proactive steps. It has involved the private sector through businesses sponsoring lunches for these young graduating medical students. I wonder what the government is prepared to do to help us in this battle to get



doctors to Windsor and how that's going to fit in with what you do in other parts of the province.

**Mr Newman:** I think it's important to note that we have established a physician job registry to help match communities like your community of Windsor, for example, or other parts of Ontario that are seeking physicians, matching them up with physicians who want to move. That's something that I think has worked well.

The underserved area program, as well, offers a number of incentives to doctors in the province, including incentive grants ranging from \$15,000 to \$40,000 over four years. These are incentives to get some of those new graduates or physicians who have been practising to move to communities like Windsor.

We have also, as a ministry, developed a rural and northern health care framework. Part of that mandate was to expand rural and northern training opportunities for medical undergraduate students and residents. That's some of what we have done.

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To bump up emergency coverage, there has been the \$70-per-hour sessional fee for physicians providing those emergency services within those communities.

We have also developed the rural medical training program and created new residency positions for 10 family medicine and 15 specialties for practising general family physicians to go back into resident training and then return to underserved areas.

**The Vice-Chair:** Thanks very much, Mr Newman. Mrs Boyd.

**Mrs Marion Boyd (London Centre):** Thank you for the materials that you have provided. With respect to the two sheets talking about restructuring costs which you have provided under question 1 and question 2, I just need to confirm for myself: In question 1, the \$154.2 million was for 1997-98, and for question 2, the amount of \$245 million is the estimate for 1998-99. Am I correct?

**Ms Lang:** That's correct.

**Mrs Boyd:** When we look at these two sheets, I think it's important for people to understand exactly what you mean when you talk about investing in restructuring, because as I add up the various itemized costs, including the severance costs to do with the Metro agreement, \$358.7 million of the total of \$409.2 million over those two years will be spent on actual severance costs; \$13.2 million — quite a contrast to \$358.7 million — on training, including the HSTAP amount that is there; \$23 million in legal, auditing and consulting fees; and \$17.3 million in employee benefits. Then there's this odd amount of \$13.7 million, which says "Other costs," and I'd like to know what those other costs would be on the \$245 million. What would those other costs be? That's a fairly hefty amount of money to just be dismissed as "Other costs" without any explanation.

What really worries me about this, of course, is that when you make an announcement that you're reinvesting \$409.2 million and the reality is that all of that \$409.2 million is the cost of getting rid of the qualified staff who have looked after patients in the system, it's not exactly

what most people would call a reinvestment into health care services. Would you care to comment, Mr Newman?

**Mr Newman:** I'm just going to ask staff to determine the \$13.7 million in other costs for you.

**Ms Lang:** If I could ask Mr Sapsford to come back to the table.

**Mr Sapsford:** There has been extensive definition of "Other costs" as they're reported. Some of them would include the costs incurred on cancellation of contracts that would no longer be required as a result of consolidation, communications costs regarding restructuring in local communities that hospitals may have expended, employee backfill and replacement costs for the additional activities related to restructuring where staff would be needed to fulfil certain restructuring activities, and so the cost —

**Mrs Boyd:** I understand there's quite a market for human resources personnel as a result of restructuring.

**Mr Sapsford:** I'm not sure about that. Some of the staff backfill costs would be included there, and some consolidation costs; for instance, packing, decanting of space to allow other areas of the hospital to be prepared for use, temporary records storage, those sorts of costs.

**Mrs Boyd:** So I am correct in assuming that of this total of \$409.2 million, not one cent has gone to patient care; it has all been the administrative costs of severing staff and the associated contract severance and so on.

**Mr Sapsford:** The only place where direct care patients would be involved would potentially be in the employee backfill cost, where perhaps nurses or other direct care personnel were required for planning or other activities related to restructuring. So the costs of backfilling would be directly related to patient care.

**Mrs Boyd:** One small item in this other category of \$13.7 million.

**Mr Sapsford:** That's correct.

**Mrs Boyd:** Mr Chair, if I may just ask Mr Sapsford to remain, because I think he'll get called up for a lot of my questions, and every time he has to come up it takes time.

**The Vice-Chair:** No problem. Mr Sapsford, remain.

**Mrs Boyd:** I am very interested in, and thank you for providing it, the JPPC methodology used to calculate Ministry of Health allocations and the Ontario hospital cost distribution methodology by patient activity. My first question is, why would the ministry be using a methodology that is clearly quite different from the methodology used by the restructuring commission? Why are there are two different methodologies in use? This is very confusing for communities, because the restructuring commission blows into town, gives all sorts of details, raises expectations about what kind of reinvestment there's going to be and then you blow into town and tell them: "We don't agree with that formula. This is the formula we use." That's causing a lot of distress around the province.

**Mr Sapsford:** To be clear, the ministry's allocation formula has been around for a great number of years, so it's not —

**Mrs Boyd:** But you're changing everything else, so why would you not be changing that?

**Mr Sapsford:** The allocation formula for hospital budgets has been based on this formula for a great number of years. The work of the restructuring commission and the work they have done in looking at operating cost scenarios and operating cost savings was designed for the commission to evaluate the physical site location of services and for the commission to look at alternative consolidation of physical facilities. It was never designed and never intended to be used as an operating cost allocation formula. The commission has said this time and time again publicly, directly to hospitals, and confirmed it with the ministry.

I appreciate that some hospitals have had a confused perception of that, but the ministry has never varied from this cost allocation formula in terms of allocating available resources for hospital operating budgets. That's clearly understood in the hospital system.

**Mrs Boyd:** I don't believe it is, because it was a great shock to a number of CEOs and boards to find out that you were going to continue to use, if that's your explanation, a formula that was very different from what they had been led to expect, and I think it is causing a lot of the stress out there. Of course your formula comes up with less money in virtually every case, so it looks like yet another cut to hospitals at a time when the minister and the Premier are on the record as saying there are not going to be any further cuts to hospitals this year.

So we've got this problem, that as this comes through the system people are finding out that there's much less money there than they were led to expect, and the second thing is that you're not funding the salary settlement for ONA, which is only the retroactive salary settlement, not what's going to happen to them over the next couple of budget years; you're not funding the change in the technical fees. So this vaunted year, 1998-99, of no further cuts to hospitals, is going to result in a substantial cut to most hospitals, is it not? Because they have to meet those costs; they have to absorb them from within. So in terms of service dollars for patient care, they're actually going to have to absorb somewhere in the range of \$300 million to \$500 million in a year when they were guaranteed no cuts. Is that not true?

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**Mr Sapsford:** The current fiscal position is that there are no additional cuts to the hospital operating grants. That's what the government's position was. But it is true that hospitals have increased cost pressures which they will be expected to manage within their allocations.

**Mrs Boyd:** What would your estimate of that be?

**Mr Sapsford:** That's a question that has been raised and we're pulling that information together.

**Mrs Boyd:** The Ontario Hospital Association says that at a minimum you're looking at \$300 million. For hospitals like those in London that have already experienced this gap between what they would have expected from restructuring and what you're prepared to allocate, it's a great deal more. I think quite frankly — I say this to the parliamentary assistant, and would have to the minister if she were here — the credibility of the government is on

the line around these promises not to reduce further services to patients. I think it's very important that people understand we are looking at further reductions all across the province in patient care, even though the guarantee was that there were not going to be any cuts during this year. Is that not the case? Is that not the warning you've had from the Ontario Hospital Association?

**Mr Sapsford:** The Ontario Hospital Association has made some assumptions about cost pressures and has put forward a proposal based not on actual cost increments but rather on expectation of costs incurred. We're doing an analysis on that particular issue at the moment and we'll carry on our discussions with the OHA about the meaning of their actuals. But they've made some assumptions that the ministry may not necessarily agree with in terms of the actual costs that hospitals will face in the current year.

**Mrs Boyd:** I wonder if we could have a commitment that when that analysis has been done, we receive a copy of that analysis so we have some knowledge when we're approached by the hospital boards and the CEOs in our own communities with information that's quite different, it seems to me, from what the ministry often put forward. It would be really helpful.

I had another question and it strikes me as a very important one. When we look at the health capital allocations, it's very interesting to see that the estimates last year were that \$218.018 million were going to be expended on health capital, but in fact only \$83.947 million is in your interim actual costs. Would you comment on that?

**Mr Sapsford:** It was in anticipation of the speed at which restructuring projects would start in the last fiscal year. For a variety of reasons, the number of projects that were started and the extent of the capital required was not there. That's the rationale for the interim actual.

**Mrs Boyd:** Can you contrast for me what the actual flow of money was to the amount of money in capital dollars that was announced? I'll tell you why I'm asking.

**Mr Sapsford:** I'm sorry, I didn't follow.

**Mrs Boyd:** There were announcements all over the province of capital dollars. In my own community it was \$133 million in capital, more than was actually flowed. I know that our hospitals, although they have put in the plans and are ready to go on even the beginning of those projects, haven't been flowed the money. They haven't had the approvals; they haven't been flowed the money. So what we're seeing here is a gap between what the government has announced, what communities, even communities that were wanting to be helpful and wanting to participate in restructuring, have been told they would get and what actually is flowing out the door — not through fault of their not having their planning and not bringing forward their projects.

**Mr Sapsford:** The flow of the money, the amount that was announced that you mentioned for London, would be the total amount, whereas the amounts here represent the anticipated cash flow against the total amount. So in some of the large projects the money would be flowed over a period of two and perhaps three fiscal years, but in the



estimate it would only show the amount that would be anticipated to flow during that fiscal year. So the total amount of the project would not be represented in specifically any one fiscal year.

**Mrs Boyd:** But you see, this is what is causing the credibility gap for the government, and it's a huge credibility gap all across the province because they see, and the government keeps repeating, "We're spending more on health care than ever before." Sure, the estimates are higher, but the flow of cash isn't, the money isn't.

**Mr Sapsford:** I can assure you that when the projects start the cash will flow. In the government's budget numbers about restructuring, where in excess of \$2 billion is anticipated for restructuring costs, a large portion of that being capital costs, that money has been booked and will flow according to the estimates year over year.

We're at the beginning of the restructuring period and, as I said, as projects move into actual operation and completion, the cash flow will increase accordingly.

**Mrs Boyd:** We're three years in and the cash isn't flowing. One of the real problems here is that there are very serious efforts in many communities to swallow what were very unwelcome recommendations from the restructuring commission and to try to cooperate with that.

There is a growing feeling among the volunteer board members of many hospitals that all of their efforts mean very little, that the ministry is not flowing the money they need to carry through with their responsibilities. They've seen over \$800 million come out of their operating budgets, much of that premised on the fact that they could change the way they deliver service, but they can't change the way they deliver service because the capital dollars aren't flowing.

**Mr Sapsford:** There is a process to be followed in terms of approvals for capital projects. The ministry over the past year has taken great pains to simplify that process. But there are certain requirements that the hospitals must fulfil in order to get the necessary approvals to start their projects. That's the piece of work that is going on now.

The functional programming stage of the capital process is an extremely important one where there is an agreement between the hospital as to the capital investment as well as the operating cost level. Depending upon the degree of separation between the hospital's proposal and the ministry's ability to recognize the financial costs, that leads to a number of discussions.

**Mrs Boyd:** How many people are working in the department that undertakes this work?

**Mr Sapsford:** Between 30 and 50.

**Mrs Boyd:** Are these long-term, experienced staff? I understand you've had a tremendous turnover in staff in that area. Is that correct?

**Mr Sapsford:** These are staff who understand the approvals process and are used to working with hospitals, yes.

**Mrs Boyd:** I think it's very important for us here to understand that the kinds of dollars that are said to be

being invested and the actual performance are very far apart.

To look at an increase next year over last year's estimates of \$251,632,200 sounds like manna from heaven for these communities. But if that isn't flowed either, and there's no confidence out there that it's going to be flowed because of what is being identified — I'm not talking just about my community which is probably in a lot of ways better off than a lot of communities, but all across the province we hear that there is very little confidence in the actual ability of the Ministry of Health to go through this process and meet the needs the hospitals have, because they have to meet those budget targets and they can't do it unless they have the wherewithal to do it.

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**Mr Sapsford:** From my point of view there are a number of issues that hospitals confront the ministry over when you get into capital planning, and cost estimates that are 50%, 70% and 80% higher than the original work that the commission has put forward are a cause for concern.

The ministry has a responsibility, from the point of view of due diligence, to ensure that before we start to flow the money, the scope of the project and the capital requirements and operating requirements are within the ability of the ministry to handle, both fiscally and operationally. In some cases this takes a bit of time, but once there are approvals and there is agreement on the scope of the project, the actual costs that are going to be incurred, and the ministry has reasonable certainty that the hospital can perform the project within those parameters, then the money will flow.

There are approvals that have gone out at the functional program stage. After functional program, all of the approval stages that the ministry used to do through physical planning, through block schematics and sketch drawings and specifications and working drawings and approval to tender, have been streamlined in a rather major way in order to accommodate the pressures the hospitals are feeling. So to say that the ministry is not accommodating the needs of hospitals I think is not a fair characterization.

**The Vice-Chair:** Mrs Boyd, that takes care of your time. We had all-party agreement that the government would give up their 20 minutes in order for us to finish this evening, so we'll move over and Mr Froese will take the chair.

**The Acting Chair (Mr Tom Froese):** Thank you, Mr Bartolucci. It's always a pleasure and an honour to follow you in this chair.

**Mr Rick Bartolucci (Sudbury):** I'd like to go to page 137 of the estimates book. It has to do with the emergency health services. Mr Newman, I don't know if you want to refer it to anybody or whoever is in charge of the emergency health services, just for some explanation of a few numbers and some clarification that I had with those numbers.

The first thing: I notice here, and is that correct, that there's going to be a \$26-million reduction and that's going to be because of the downloaded costs of land



ambulance to the municipalities? Is that correct, on page 137, "Local Services Realignment"?

**Mr Sapsford:** Yes, I believe that relates directly to Metropolitan Toronto, which has agreed already to take on responsibility. So some of the costs associated with that which the ministry used to pay have been transferred to Metro and consequently there is a reduction in our estimate to the corresponding amount.

**Mr Bartolucci:** Would it be safe to say then that that's going to be the cost directly to the municipality?

**Mr Sapsford:** Yes.

**Mr Bartolucci:** Okay, fine, thanks very much.

If we go one number up we see "Base Review Efficiency Measures," and there's a reduction of approximately \$1.3 million. Could you expand on the base review efficiency measures for me just a little bit more?

**Mr Sapsford:** These were targets established for the ministry in terms of improvements in our overall operation. Each of the program areas was set a fiscal target where we had to improve our operation, and this is the amount in the emergency health services group that was saved as a result of that base review.

**Mr Bartolucci:** Presently there are five base hospitals. Am I correct?

**Mr Sapsford:** There would be more than five.

**Mr Bartolucci:** How many base hospitals are there, then?

**Mr Sapsford:** I would have to check.

**Mr Bartolucci:** The Sudbury General Hospital, now known as the St Joseph's Health Centre, was a base hospital, is a base hospital, will be a base hospital. Am I correct — was, is and will be a base hospital?

**Mr Sapsford:** The Sudbury General?

**Mr Bartolucci:** Which is now the St Joseph's Health Centre.

**Mr Sapsford:** Yes. It will continue to be until such time as the physical consolidation takes place and the new hospital is developed.

**Mr Bartolucci:** Sure. That announcement is going to happen any time. There's a question I want to ask about that but I'll save that for later on.

The base hospital, the St Joseph's Health Centre, formerly the Sudbury General Hospital, also houses the air ambulance for northeastern Ontario. I've heard, and I hope it's just rumblings, but I'm going to ask for clarification, is there within the ministry a move to consolidate the air ambulance service and remove it from northeastern Ontario?

**Mr Sapsford:** No. We have one air ambulance service that serves the entire province. The services themselves are provided by helicopter and fixed wing. Those services are usually subcontracted. The staff of the air ambulance service are ministry employees rather than employees of the people who provide the aircraft. Then there's one air ambulance dispatch for the entire province. That's the current operation.

**Mr Bartolucci:** Maybe the deputy wants to comment on that. You will know that the air ambulance for northeastern Ontario operates out of the St Joseph's Health

Centre now. When there's the consolidation to the Sudbury Regional Hospital, that air ambulance will still be operating out of the Sudbury Regional Hospital. What I'm trying to get at is, and I want a definitive answer right now, is there any move afoot to remove the air ambulance base hospital, the service for northeastern Ontario, to Sunnybrook in Toronto?

**Mr Sapsford:** Not to my knowledge, no.

**Mr Bartolucci:** You're assuring me then that the air ambulance service will remain in northern Ontario.

**Ms Lang:** If I could comment, there is no direction to move the air ambulance service.

**Mr Bartolucci:** I'm not looking so much for a direction. I want to know if there's any discussion because any government direction is always based on preliminary discussions and directions. I want to know: Are you discussing, is your ministry, is whoever responsible for the emergency health services discussing the removal of air ambulance services from northeastern Ontario and centralizing them solely at Sunnybrook?

**Ms Lang:** The answer is no, there is no discussion.

**Mr Bartolucci:** Then can you assure the community of northeastern Ontario that the air ambulance service delivery model, the way they have it presently, will be intact for the long term in the new Sudbury Regional Hospital structure?

**Mr Sapsford:** Actually, no. I'm a little unclear whether you're talking about the service itself or the dispatch piece of it, because it has a different impact. There will always be air ambulance service in the north to provide that kind of transportation. The way it's operated, as I've already said, is under contract for the aircraft itself. Whether the ministry continues to do it that way or provides the services in another form may in the future be raised as an issue. But I'm not sure how you would move air ambulance services out of the north to Sunnybrook.

**Mr Bartolucci:** Neither am I, and that's why I want to make sure that it doesn't happen. But if what I overheard here, I think it was last week, from your staff as I was walking out, suggesting that all air ambulance services were going to be centrally located in Sunnybrook — that has an impact on the way air ambulance is dispatched in Sudbury. The dispatching of those services will remain at the new regional hospital?

**Mr Sapsford:** We have one air ambulance dispatch at the moment. We are talking, in terms of alternatives, about land ambulance dispatch. As you're aware, the ministry has had a plan of consolidation of land ambulance dispatch for a number of years. There is discussion going on about further consolidation in terms of the land ambulance, but we only have one air ambulance, so I'm not sure how you would consolidate that beyond what we currently have.

1700

**Mr Bartolucci:** What you're saying to me, if I understand correctly, is that we don't have to worry about the dispatching of the air ambulance in the future, it is going to be the way it is now for northeastern Ontario?

**Mr Sapsford:** I don't know. I'd have to check more. There's obviously something in back of your question that I'm not —

**Mr Bartolucci:** I just want to know. Listen, Dr Bota and Dr Pommier, both of whom Ms Lang knows very well, did an extensive study about emergency health services and suggested in 1986 that it was imperative that we have air ambulance dispatching facilities out of northern Ontario. The government of the day decided that was a good move. The next government decided it must remain. I just want to know, because you're restructuring everything, do you still have that commitment to dispatching it out of northern Ontario?

**Ms Lang:** Mr Bartolucci, if I can comment, the current work within the ministry does not have us doing anything to move that program. Should subsequent decisions be made by government, then subsequent decisions will be made by government, and we will follow those decisions. But the ministry does not have a plan at the moment to move those.

**Mr Bartolucci:** Neither in the short term nor the long term? You didn't have a plan to close hospitals either. I don't want to be confrontational here, I want to talk about estimates, but honestly, Ms Lang, you're very familiar with northern Ontario.

**Ms Lang:** Yes, I am.

**Mr Bartolucci:** You know how unique our needs are. We cannot have an air ambulance facility being dispatched from Sunnybrook in Toronto that will provide quality patient care needs in northern Ontario. I just wish that you were able to tell me that yes, it's going to remain in northeastern Ontario, as it has in the past — categorically.

**Ms Lang:** I'm not in a position to make that commitment. As you know, Mr Bartolucci, our job is to follow the decisions made by government, and we will do that. At the moment, I have no knowledge of a decision by the government to do anything other than what we're doing at the moment.

**Mr Bartolucci:** I'm not saying anything about direction; I'm asking you about discussions. That was a comment that you made and I made five minutes ago. I want to know if discussions are under way to do that.

**Ms Lang:** I indicated to you that we are not participating in discussions.

**Mr Bartolucci:** You're very familiar with your government's directive to remove \$100,000 from the northern outreach program. At first it was the nursing component. You're not familiar with it? I guess I could refer to the letter from David Salter. Let me reword the question: Is there a directive from David Salter to remove \$100,000 from the northern outreach program?

**Ms Lang:** I'm not aware of a directive.

**Mr Bartolucci:** Are you aware of the March 23, 1998, letter to the director of the program, Dr Steve Trujillo, from David Salter which suggested that he had to remove \$100,000 from the program by April 30?

**Ms Lang:** I'm not in a position to comment on that. I don't have knowledge.

**Mr Bartolucci:** Do you have any knowledge of the I think 63 letters from the different health agencies across northern Ontario that are suggesting that we not reduce the northern outreach program by even one penny?

**Ms Lang:** I will have to follow up; I'm not personally familiar with that.

**Mr Bartolucci:** Okay. Let's go to cancer care. How much time, Tom?

**The Acting Chair:** You have seven minutes.

**Mr Bartolucci:** Okay. Thanks very much.

Let's go to cancer care for a second. I asked the minister a question last Thursday in the House with regard to supportive care services and to the formation of a panel. I have subsequently written her a letter suggesting that Cancer Care Ontario would be very willing to be the facilitator of such a panel. Is there any discussion about setting up a panel to study the industrial factors which lead to incidence of cancer in the workplace?

As you know, Cancer Care Ontario, in a very small-conservative estimate, suggests that 9% of all cancer deaths are directly related to the workplace. That means that 2,200 people die of cancer because they choose to go to work. They work in their environments and they contract cancer, which is, for 2,200 of them, deadly. Cancer Care Ontario, industry and certainly workers are suggesting that a panel be set up to study the factors which cause cancer in the workplace. What are the ministry's discussions about that? Have there been any discussions? Has there been any dialogue with Cancer Care Ontario about that?

**Ms Lang:** I'm not aware of it. Mr Sapsford.

**Mr Bartolucci:** No discussions or you're not aware of it?

**Mr Sapsford:** I'm not aware of it.

**Mr Bartolucci:** Okay. You will know from their interim report card that Cancer Care Ontario suggested that more resources have to be placed in supportive care services. From the minister's answer, she was very sympathetic that we needed to allocate some more money to cancer in general, and I give her credit for that. With regard to supportive care services in particular, what is going to be your government's direction over the course of the next little while? I tried to find it in estimates, but I couldn't find it in estimates.

**Ms Lang:** Are you referring specifically to cancer?

**Mr Bartolucci:** Sure. I think if you refer to cancer, you have to refer to those areas that impact on our success in fighting cancer. One of those areas is the supportive care services.

**Ms Lang:** Have we had specific discussions with Cancer Care Ontario on this, Ron?

**Mr Sapsford:** There are supportive services in terms of cancer care through community care access centres and home care programs, so it's not as though there are no supportive care services. As part of its proposed mandate, though, Cancer Care Ontario has proposed supportive services as one of their areas of endeavour, along with a number of others, including the direct provision of radiation services as well as the development of research



protocols and clinical guidelines for using the system. As part of their overall mandate, though, they have put forward this idea of development of supportive services. We're currently in discussion with them about the extent of that role, as well as developing a memorandum of understanding around the issue of supportive services. They have put forward proposals which we're currently reviewing, and we're trying to complete that discussion with CCO.

**Mr Bartolucci:** There's no question that those services are out there, but they're woefully underfunded. In fact, in many instances they're not funded by the government. I guess that's where Cancer Care Ontario wants to go and that's where those service providers want to go. They need money to provide supportive care services. You're saying that presently you're in discussion with Cancer Care Ontario to meet the needs of the supportive care area. Do you have any idea when you'll be making an announcement in that area?

**Mr Sapsford:** No, I can't comment on that. I think one of the issues, though, that we need to consider is the degree to which we create a supportive care system specifically related to cancer that's separate from the more generalized support services available. This is one of the issues that has to be clarified.

**Mr Bartolucci:** I have one final question, because my time is almost up.

**The Acting Chair:** Two minutes.

**Mr Bartolucci:** Going back to the announcement that's going to be very soon, that is still on? I was quite happy to phone Sudbury today and to tell the people that I got a very good response from both the minister and the deputy minister with regard to the announcement. I'll go on the record as saying I said that you understood the economic situation within the community, that you had taken that into consideration in making the announcement and that the announcement would be made right away, very shortly, well before the annual general meeting.

There was some dialogue between your ministry and the group in Sudbury. It was my understanding they were running into trouble with this announcement. Will you reassure the community that announcement is going to be made very soon?

**Ms Lang:** I think, as the minister indicated yesterday, we will be saying something very soon.

**Mr Bartolucci:** Thanks very much.

1710

**Mrs Boyd:** Just going back to the capital issue we were talking about before, one of my colleagues has asked me to request that there be a breakdown of the dollars in the interim actuals for 1997-98 as well as in the estimates for 1998-99; first of all, whether these are allocations to public hospitals, to related health care facilities or to long-term-care facilities, and whether that could be broken down according to the district health council area in which the money is given.

Most of us are having to deal with district health council areas in terms of dealing with it, particularly those that are in northern and rural areas. Although some of the

announcements get broken down by facility, they sometimes don't get broken down by district health council area, and we wondered if that would be a difficult statistical breakdown to provide. The reason I'm asking is that generally the restructuring commission has reported according to district health council areas and it allows a much better ability to look at the comparative figures.

**Ms Lang:** Can I just clarify, Mrs Boyd. You want to know the breakdown for the interim actuals as well as the projected breakdown for the forecasts for the estimates?

**Mrs Boyd:** Yes, what you expect.

**Ms Lang:** I assume we can do that by district health council, but I will have to go back and make sure that's possible.

**Mrs Boyd:** I would think so because all of the approvals have to go through district health councils, so it really shouldn't be a big problem. Isn't that correct?

**Mr Sapsford:** I'm quite sure that's possible.

**Mrs Boyd:** Good. That would be very helpful.

Either Mr Newman or Ms Lang, I wonder if you could help me. I'm looking at the page which outlines the organization of the Ministry of Health and it says on it quite clearly that this is the transition structure. I happened to be present when Mr Sapsford gave a speech at the community-based mental health agencies conference in which he told us that in very short order there's going to be a totally different organization of the ministry. I wonder if you could outline for us what that total reorganization is going to look like.

**Ms Lang:** I will take that question. The interim organization was the result of a process the ministry engaged in, I think it might be two years ago now, with the help of some consultants to take a look at what the community and the stakeholders think about the service they're getting and the kind of response the ministry is giving. As a result of that, the ministry took the decision a while ago to create this interim structure, with the intent that at some point in time we would look to decentralizing much of the operational function of the ministry.

As you probably can appreciate, the Ministry of Health is a highly centralized organization. It tends to work in very strict boundaries in terms of program definitions and program decision-making. We have subsequently been going through a process inside the ministry to take a look at what are the next phases of that reorganization that allow us to integrate policy and provide some real leadership in the policy and program design in a way that facilitates greater integration of services.

We've also taken a look at the opportunities for having a ministry presence in the community that's more than just long-term care and we are currently considering some options. We are also looking very closely at the way in which our business is aligned to the social service community of the province and determining the extent to which there can be further opportunities for greater collaboration with that organization. We are looking at streamlining some of our business processes, particularly the impact of technology on the organization.



It is my hope that in the next few weeks I will be able to make some more specific statements about the organization of the ministry. I'm in the process of going through and seeking approvals and getting the right information finalized for discussion with the employees of the ministry. It is my hope that we will be able to announce an organization that will achieve greater integration of services, greater focus on policy development and much closer alignment with social service community planning boundaries that align with one another. Those are some of the underlying principles of the reorganization.

**Mrs Boyd:** I must say that I'm sitting here not quite sure whether to say this or not, but I'm going to say to you that I'm amazed that you can't talk about it and your assistant deputy minister was talking very publicly about what these different structures are going to look like. Just so that you know, I'm kind of surprised.

On your organizational chart, we've heard a lot about integration in the health care system and you've just talked about it again in terms of organization of the ministry. I know you have an assistant deputy who's responsible for integrated policy and planning. I wonder if it might be possible for her to come forward so I could ask her a little bit about what she's doing, since she's not well known out there in the community and I think we need to know more about integration.

**Ms Lang:** I'd be quite happy to ask her to come forward.

**Ms Judith Wright:** Judith Wright, assistant deputy minister, Ministry of Health.

**Mrs Boyd:** It sounds silly to say, but could you describe what it is you're hoping to accomplish, what your goals are in terms of this issue of integrated policy and planning? There's great interest out in the province and yet most of the work has not been very obvious to people. I wonder if you could just talk a little bit about it, because certainly all members of the Legislature know from our experience with our constituents that people really want to see better integration of services.

**Ms Wright:** It would be a pleasure, a little bit like a job interview question.

**Mrs Boyd:** Or a performance appraisal.

**Ms Wright:** I'm not sure I like that, but thank you for the opportunity.

There are a couple of steps we're taking which I think look a little internal, at least initially. One of them is the one the deputy referenced, which is a very important step of just enhancing the capacity within the ministry, not only to do integrated policy but to do policy right across the spectrum of issues. I've been spending a fair amount of time trying to define how we would do that and how we could work more effectively with the full range of external stakeholders, the community as well as the institutional provider group, to define what the processes and the policies would be. That would be on the macro level of what we're trying to do.

Specifically related to integrated services, I think the exact stage we're in now is somewhat stepping back from discussions we've been having which have been quite

governance-focused, and looking more at how we look at defining the best way to deliver those services from a community and a client perspective and what they look like when you look at it from that perspective, as opposed to trying to look at it from a specifically governance perspective. We've been having conversations and we're stepping back and taking that kind of look at it now.

1720

**Mrs Boyd:** That's really helpful, because one of the things we know is that a perception of the ministry, whether it's fair or not, is that it's highly bureaucratic and that there doesn't seem to be a capacity to try to get through to actually talking in policy terms around how you would provide services that give a continuum of care for the individual person through their entire life cycle. Is that what you're hoping to do?

**Ms Wright:** Absolutely, and I think we're hoping to do it both to enhance our capacity within the ministry and to talk to each other across that as well as externally. It's obviously a much more complex and bigger task than it sounds when you state it as you did.

**Mrs Boyd:** One of the things we've been hearing a lot in the community is a real interest in what Ms Lang was talking about, a closer understanding of the services that affect the determinants of health, which often belong to other ministries like housing, like income maintenance, like community-based support services. Now, of course, it may not even be in a ministry; it may be in a municipality; the real difficulty of saying where health services begin and where those other services end.

I'm delighted to hear that you're looking at how you might do that a little bit better. I must say that I think the downloading of services to municipalities is going to make your task more difficult in that sense. Now, instead of talking at least to another ministry within a level of government to try and do this, you've got — what are there? — 832 different municipalities that you're going to have to deal with. That's going to make it that much more difficult. Do you think that's a problem?

**Ms Wright:** I don't think it's any greater problem than we face talking upwards to the federal government. I just think we have to develop the capacity in the system to do it better. I think one of the emphases we want to put is on clearer standards of measurement of how the health care system is doing, both in terms of outcome and in terms of delivery. If you get a greater common understanding of those, the discussions and who you're having them with should be easier.

**Mrs Boyd:** I'm interested in that evaluation part, because I think all of us are agreed — I'm always amused when the Ontario Hospital Association talks about there's not much evidence base for long-term care. There's not much evidence base for hospital care either. I'm really interested because obviously the evaluation of what we're doing is part of your responsibility and I think we need to have a sense of how you plan to go about developing what can do that.

I'll give you an example I'm interested in. I spent a couple of days this week in Sault Ste Marie, one of the

few CCACs in the province that has so far been able to manage within its allocation — no deficit. I'm talking about managing quite well within its allocation. The interesting connector there for me is that most of the primary health care is delivered through the group health centre there, where there has been an emphasis since 1973 on health promotion and disease prevention issues and a much broader way of physicians interacting in a helpful way with their patients.

I'd be very interested in knowing whether you're trying to look at the connectors between what the experience of people has been and what the outcomes are. My belief is that this remarkably different experience in Sault Ste Marie, which has every other indicator of poorer health, because of the kind of work people have been doing, because of the demographics, because of a lot of the issues around unemployment — they're at 20% and have been for a long period of time. Yet here we are in long-term care with a clearly different experience than a lot of the other CCACs are experiencing. Is that the kind of connection you're going to try to make?

**Ms Wright:** Yes, and I think we're going to try to examine it and document it and say why it works and doesn't work. Part of the challenge of evaluating the health system is just the variety of the experiences, and trying to identify the factors for why they work is a challenge. But when you're talking about integration, I think it is those connectors we are trying to look at more carefully.

**Mrs Boyd:** Up until now we've had really morbidity and mortality rate, and even they are relatively recent by district health council boundaries. You're looking at co-operating with groups like the OHA on a much more detailed situation of outcomes, measuring reinfections, readmissions, that sort of thing?

**Ms Wright:** One of the major challenges on that, which the OHA will be able to explain as well, is just getting data that are comparable. One reason we go back to those two indicators is because at least we have data. I think it is a longer term objective because the first one is to actually make sure the data work and are comparable. If we were to use data that aren't, then I think we would be misleading people on how well we're doing or not doing.

**Mrs Boyd:** These primary care projects that have been set up now with the cooperation of the OMA are going to be evaluated. Is there also going to be an evaluation of, I think the minister said, 77 other primary care delivery sites that are done on an alternative payment basis, the community health centres, the group practice areas? Is it going to be a similar kind of thing, to really look at the evaluation in a comparable manner?

**Ms Wright:** At this point we have no plans to evaluate those. We have been working on the evaluation for the primary care sites that were announced. One of our challenges there is to find a control group to compare it with. We're just looking at that question and we haven't decided how we're going to do it and there are no plans to evaluate the others at this point.

**Mrs Boyd:** Even people who are very supportive, whether they're in the medical community or the consumer community, of reformed primary care are quite puzzled that over the three years those 77 sites wouldn't have at least been looked at in terms of what works there as opposed to waiting for the OMA to reinvent a wheel that has been there for a long period of time by other groups.

**Ms Wright:** They may have been looked at; I'm not aware of it. When I use the term "evaluation," I mean we're doing quite a formal evaluation.

**Mrs Boyd:** Very rigorous.

**Ms Wright:** Yes, and I'm sure that those other types have had some kind of feedback in them of some sort. I'm not aware of the differences but others may be.

**Mrs Boyd:** I wonder if I could ask the deputy to provide us with any information around formal evaluations of the alternative payment plan centres that the minister mentioned in her speech when she announced the primary care reform. It would be really interesting to know what data have come from it. Some of those started in the early 1970s. We should have some fairly good longitudinal data. It may have been taken out of patient files. That may be part of the problem. But it seems to me that we keep on reinventing new kinds of ways of delivery without really being clear about what we've done in the past.

I understand there are some political issues that you have with the OMA and all that sort of thing, that they've taken a very strong stance that they'll do this other thing but they won't see an expansion of community health centres, for example. I really do understand that. But it seems to me that, given the focus on trying to have evidence base, it would be really helpful to get some of those data. I think you'd have a lot of cooperation from those sites because they know they have very valuable data about what that kind of delivery means in terms of numbers of hospitalizations of people, all that sort of thing.

One area you might look at would be Sault Ste Marie. For example, they have nurses who go out and visit new mothers as part of their primary care thing. They're professionals, not volunteers. They're already doing the kind of thing the government obviously thinks is important with Healthy Babies, Healthy Children. It would be nice to evaluate whether that in fact has some very good outcomes in terms of the health status of the population that's using that kind of thing.

**Ms Wright:** That's an excellent suggestion.

**Mrs Boyd:** I think they'd be very cooperative. I can tell you, when we were in government they wanted us to do something like that. We didn't get around to it. I don't care who does it, I just hope somebody gets around to it and actually does it.

Have I a little more time?

**The Vice-Chair:** You have 30 seconds to wrap up.

**Mrs Boyd:** I really want to thank the folks from the Ministry of Health and say that I'll look forward to getting the information we've asked for, and we'll see you at public accounts time.

**Ms Lang:** We look forward to that, Mrs Boyd.



**The Vice-Chair:** Just before we go to the vote, I'd like to thank the parliamentary assistant, the deputy and certainly all the members of the staff who have been very cooperative in sharing the information they could share with us and for dancing when it was necessary to dance. You did it quite well.

**Mrs Boyd:** And it always is.

**The Vice-Chair:** And honestly, that's a part of estimates, there's no question. There is one question we have with regard to the process.

**Mr Wayne Wettlaufer (Kitchener):** Mr Chair, I don't know if you want to take this question now or after the vote.

**The Vice-Chair:** Sure.

**Mr Wettlaufer:** It is of some importance, I believe, to the member of the third party, Marion Boyd, in view of a question that her leader asked in the House today, and that is who is looking after the taxpayer. I believe it'll be of some importance to you in your yeoman performance as Chair. It has been a very good performance, I will add.

The members of my riding look to me to provide them with some protection of their interests. I think it's incumbent on me to look after their interests. We have a Chair of this committee who in the last session absented himself far more than was normal and you performed very able service in your role as Chair, even though you didn't have the title. Now again you are performing absolutely fabulous service in that role.

I wonder if we couldn't have some direction from you or from the real Chair whether or not we could save the taxpayers \$10,000, if he is not going to perform his duties, if he would just declare it, or should we just put you in the position and save the \$5,000 on the position of Vice-Chair?

**The Vice-Chair:** We're not going get into a discussion here because that's not the purpose of it. I'll certainly take your question back to the Chair, who does a wonderful job when he is chairing. He's wanted internationally, to be perfectly honest. We'll move to the vote.

**Mr Wettlaufer:** There is one other thing, though. There is one other item involved here. He is also the health critic. We can understand and the taxpayers in my riding can understand that he cannot perform the duties of Chair when the Minister of Health and the Ministry of Health estimates are being discussed. However, they are concerned that he was only here for two out of the four hearings.

**Mr Terence H. Young (Halton Centre):** Maybe the Chair knows where he is.

**The Vice-Chair:** I should suggest to you that everyone skates now and then on answers and sometimes we even dance. So what we will do is move to the vote and if there's a discussion about this after, we'll take the vote first.

**Mr Young:** Chair, maybe we should call the bureau of missing persons.

**Mrs Boyd:** Chair, just a little reminder that it really is a tradition within the House that we not talk about a member unless that member is present.

**Mr Pettit:** Mr Chairman, I think we'd be remiss if we didn't acknowledge the outstanding efforts —

**The Vice-Chair:** We'll move to the vote. The vote has been called.

Is it the wish of the committee that we vote on items 1401 through to and including 1407? All in favour of voting? Agreed.

Shall the estimates of the Ministry of Health carry? Carried.

Shall I report the estimates of the Ministry of Health to the House? Agreed.

I would like to thank everyone for their attention to the committee.

**Mr Pettit:** I think we'd be remiss if we didn't acknowledge the outstanding job done by the member for St Catharines-Brock as acting Chair this afternoon.

**The Vice-Chair:** I thought he was pretty good. I'm sure some of the members would have ruled me out of order.

*The committee adjourned at 1734.*





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Legislative Assembly  
of Ontario  
Second Session, 36<sup>th</sup> Parliament

Assemblée législative  
de l'Ontario  
Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 29 September 1998

# Journal des débats (Hansard)

Mardi 29 septembre 1998

Standing committee on  
estimates

Comité permanent des  
budgets des dépenses

Ministry of Municipal Affairs  
and Housing

Ministère des Affaires municipales  
et du Logement



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Tuesday 29 September 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mardi 29 septembre 1998

*The committee met at 1558 in committee room 2.*

**The Chair (Mr Gerard Kennedy):** Good afternoon. I'd first like to introduce the staff we have with us today. We have Mr Viktor Kaczowski as clerk, Anne Marzalik from research, and Carolyn Brown from Hansard. I'd also like to welcome each of the members. I know you'll do your usual outstanding job of pursuing the public interest.

The business of the day is the Ministry of Municipal Affairs and Housing. Our business is set by the orders. The minister will have 30 minutes, each of the opposition parties will have 30 minutes, and then there will be 30 minutes for the minister to respond. We are unable to finish that today due to our late start, but we'll do the best we can. Minister, I'd like to call on you to begin.

MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**Hon Al Leach (Minister of Municipal Affairs and Housing):** I first apologize to the committee for being somewhat late. I had a previous commitment that I couldn't get out of. We'll try and proceed as quickly as we possibly can.

What you have before you today are our 1998-99 estimates that outline the ministry's proposed expenditures for the current fiscal year. I am very pleased to report that over the last two years we have realized significant savings in the ministry's operating budget. We have brought back common sense to fiscal policy not just within my own ministry, but right across government. These efforts were necessary to bring Ontario back from the brink of bankruptcy when we inherited an \$11-billion deficit from the previous government. We're now on track to balance the budget for the year 2000-01, as promised.

I am pleased to say that the efforts of my ministry to reduce the size and cost of government were a critical part of this success. I'm not going to have an opportunity to touch on all areas of expenditures for 1998-99, but I will touch on the significant ones. Before I begin, I would like to put the estimates within the context of our ministry's five priority areas, or what we call our core business.

First, local government: We want local governments that are less costly, more efficient, and accountable for the services they deliver.

Second, land use planning: We want a simplified and streamlined land use planning system, as well as greater

provincial and municipal accountability for the effectiveness of the land use planning system.

Third, social housing: We are committed to reforming and simplifying the social housing program. We want to make social housing cost-effective and responsive to the needs of the people in their communities, and we want to complete the transfer of social housing to the municipalities.

Fourth, the regulatory framework for private rental housing: We want to create a better climate for investment in new private rental housing, ensure tenant protection from unfair rent increases and unfair treatment from their landlords, and have a simplified, faster, less expensive system for resolving disputes between landlords and tenants.

Last but not least, the regulatory framework for buildings: We want to focus on the health, safety and accessibility of our buildings and a streamlined building code that is cost-effective and improves the climate for new development.

We were elected in 1995 on the basis of a comprehensive and integrated program to get Ontario's economy moving again, and we've done exactly that. We pledged to cut red tape, and we've done that. We pledged to reduce duplication and overlap among the various levels of government, and we have done that as well.

I'll now touch on some of the key areas of expenditures in our estimates for the year 1998-99.

One of the most extraordinary expenditures by my ministry this year was the ice storm disaster relief assistance. As we all know, in January of this year a horrific ice storm battered parts of eastern Ontario. It was the largest natural disaster in Canadian history. Many lived without heat and proper shelter for days, even weeks, relying on friends, neighbours and strangers throughout Ontario and the rest of the country.

All levels of government worked together — and I mean all levels of government: federal, provincial and municipal — and we continue to work together to help people recover and rebuild. My ministry, the Ministry of Municipal Affairs and Housing, leads the recovery activities across the provincial government. From the beginning of the emergency, the government of Ontario made a commitment to the people affected by the ice storm to provide the help they need. We recognized the human and economic costs of this natural disaster and we responded. In fact, we responded more quickly, more generously and

more compassionately than any other government in the history of this province.

We provided an immediate initial commitment of \$50 million. We then established an emergency help fund, which paid out almost \$12 million in aid to individuals and municipalities during the emergency phase. This meant that within days, money was in the hands of the people who needed it most. There were follow-up payments to municipalities totalling in excess of \$33 million, and through our public sector claims process we are preparing to provide tens of millions more for recovery costs if this is needed.

Municipalities and other organizations that depend on us for funding can depend on this government to restore essential public facilities damaged by the ice storm, such as roads, schools and hospitals. Working with the federal government, we have also set up two programs to help hard-pressed farmers and small businesses get back on their feet again. These cost-shared initiatives are valued at over \$70 million. In addition, this government is providing the necessary financial assistance to individuals who have suffered emergency expenses and uninsured damages to essential properties as a result of that terrific storm.

Under the Ontario disaster relief program, the province matches every fundraised dollar with a specific ratio. Due to the extraordinary nature and scope of the storm, this government is providing up to four provincial dollars for every dollar raised by the community.

This private property claims process is led by the Eastern Ontario Disaster Relief Committee. That's an umbrella group of volunteers representing the eight local disaster relief committees in the affected area. The members of these committees are the real heroes. They deserve our support because they are the front-line workers who have worked so tirelessly to get eastern Ontario back on its feet again.

It's important to recognize how many lives have been disrupted by this unforeseen event, how many people are struggling to recover from its effects. By the June 15 deadline for submissions, nearly 28,000 claims had been filed under the Ontario disaster relief assistance program. As a point of comparison, this is six times the number of claims filed as a result of the Manitoba Red River flood. The bottom line is that we are committed to restoring eastern Ontario to economic vitality in the wake of an unanticipated disaster of immense proportions.

Another very important expenditure for my ministry was the municipal restructuring fund. The government's vision for local government relies on municipalities having the size, the tax base and the administrative strength to reduce the cost of services to their taxpayers.

All across the province, small communities are coming to realize that they could operate things just a little more efficiently if only they could do things on a slightly bigger scale. They're finding that they can better afford certain capital expenses if they can spread them across a larger tax base. They are finding that they don't need two town halls in an area that is really just one big community. They

are eliminating waste and duplication and providing better services at a lower cost through local restructuring.

Since municipalities were given more flexibility to develop local restructuring solutions under the Municipal Act, 85 restructuring proposals have been approved. This is going to bring the number of municipalities in Ontario from 815 to 593, effective on or before January 1, 1999. We've been there to support municipalities that take this step.

In December, we announced a \$50-million fund to help municipalities that were restructuring with some of the initial costs, because we recognized that even though restructuring can pay huge dividends in the long term, it often involves initial costs that must be paid in order to find those long-term savings, such as labour adjustment costs, special election costs, or costs associated with integrating computer systems. When it turned out that \$50 million wasn't going to be enough, we allocated more than \$20 million in additional funds. As a result, we were able to give each restructured municipality 75% of its eligible restructuring expenses.

I am also pleased to say that we're providing the city of Toronto with a financial package to help it achieve long-term savings for taxpayers. We appreciate that the city of Toronto has special needs unique to its circumstances. That's why we provided \$50 million in non-repayable financial assistance for transportation and communications projects to be undertaken by the new unified city of Toronto. These funds were flowed to the city on June 27, 1998.

As part of the larger package, the province is providing the city of Toronto with two \$100-million interest-free loans. The first \$100 million flowed on July 15, 1998. The second \$100 million will be made in 1999. This loan is contingent on the city making good progress towards finding savings and keeping taxes down. These loans will be interest-free until repayment begins. The city will repay the loan over three years beginning in the year 2000-01, with the final payment due by March 31 in the year 2003.

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On July 24 of this year a payment of more than \$829 million was made to the city of Toronto/TTC to release the province from the TTC capital subsidy agreement, which was to construct the Sheppard subway.

The province stands behind the new city of Toronto. The city has committed to reducing its costs and we are providing assistance to help the city realize its targets. I am pleased to say that in less than a year the city has achieved significant savings in a number of areas. For example, the majority of the city's insurance program has been consolidated representing savings of \$4.9 million or 54% from the 1997 costs. A contract for the consolidation of banking services will save the city more than \$400,000 annually.

We are committed to making sure the new city works. I am pleased to see that the Toronto mayor, Mel Lastman, agrees that it's working. He recently told some of the neighbouring municipalities: "It works and it works well. The province kept saying this, but I wasn't listening. I just



wanted to keep my little turf. And I was wrong. I was wrong because this is going to work and it's going to work better and we're going to be able to offer better services as well."

**Mr John L. Parker (York East):** I'm sorry, could you repeat that?

**Hon Mr Leach:** That's the end of the quote. But you'll hear it often.

Two years ago, when I appeared before this committee, I said at that time that our government was not interested in continuing the social housing boondoggle that existed when we took office in 1995. Since we took office, we have made significant progress in laying the foundation for a more streamlined, cost-effective and efficient social housing program.

Throughout this process, the interests of the residents have guided every decision that we have made. It has always been our belief that social housing is a service that can be best provided at the local level. Indeed, major municipalities like Toronto, Ottawa, Peel region, for example, have a long history of involvement in social housing. Our goal is one-window access to all social services, including social housing. We want to integrate these services at the local level, which will make it easier to make one singular, better system for all of the people who need and use it.

On January 1, 1998, we transferred the funding responsibility for social housing to the municipalities as part of the local services realignment. However, as we all know, this is just the beginning of a process. This is a transitional period and for this reason social housing expenditures are still reflected in the 1998 estimates. We are providing operating assistance to social housing providers and then we're recovering those costs from the municipalities.

The actual administrative devolution is expected to take two or three years to complete. We're working closely with the municipalities on that. The timing is also dependent on the successful completion of negotiations with the federal government. As you may know, in its March 1996 budget, the federal government announced its intention to devolve responsibility for social housing to the provinces and territories. I know that agreements have already been signed with five provinces and two territories.

In August of this year, the federal government signed a social housing agreement with Yukon territory. As recently as this month, September 10, an agreement was signed with Manitoba. Ontario needs an agreement with the federal government to fully devolve social housing to municipalities. I am confident that the federal government will soon return to the negotiating table to finalize that requirement. I am also pleased to see that the GTA mayors and regional chairs now support the government's call for a new federal-provincial social housing agreement.

We are committed to making the social housing program cost-effective, efficient and accessible to residents. Our focus in 1998-99 is to continue to work on designing and implementing a strategy that will achieve our vision for social housing. This is an ambitious undertaking and we are making excellent progress.

We are working on a framework for the devolution of administrative responsibility for social housing from the province to the municipalities. We want to ensure, most of all, that the transition is a smooth one and that services are not disrupted.

We are committed to establishing provincial standards which are consistent with national standards to guide municipalities and municipal delivery of social housing.

We continue to streamline the program in order to simplify and reduce the cost of its administration. I am pleased to say that in the last year we have achieved significant savings in the area of social housing.

We have put a process in place that requires financial institutions to compete on mortgage renewals. As a result, our interest rates on social housing are the lowest in all of Canada. We have taken full advantage of the decline in interest rates over the past year. In recent months, we have been able to consistently achieve interest rates of less than 6% on mortgage renewals. As more mortgages come up, we expect the average overall interest rate to continue to decrease.

We are not just looking to save money on interest rates. We are also looking to lower the risks associated with potential increases in interest rates in the future. Municipalities have requested stability in their future financing requirements as you would expect. Where it's appropriate, the ministry has been locking in low interest rates on projects to minimize risk over the longer term. Just recently, we locked in more than \$250 million in mortgages for a 30-year term at a rate of less than 6%.

In the public housing portfolio, savings have been found through operational and cost efficiencies. Measures include re-engineering operations to streamline and reduce duplication, improving property management services, reducing controllable expenses and implementing an asset management process that identifies and allocates capital funding based on the need and condition of the portfolio.

Another very important initiative for my ministry was the Tenant Protection Act. Last year we passed the Tenant Protection Act and the new law took effect on June 17, 1998. What we have done with the Tenant Protection Act is to combine the six pieces of legislation that govern landlords, tenants and rents, as well as provisions within the building code and the Planning Act. Instead of that mishmash of legislation, we have consolidated everything into one package that is fair to tenants, fair to landlords and fair to the taxpayer. The Tenant Protection Act continues to protect tenants, while solving the problems with the system.

The new act has achieved four key goals: protecting tenants from unfair rent increases and arbitrary evictions; improving maintenance and getting tough on landlords who fail to take care of their buildings; streamlining administration and cutting red tape to create a faster, fairer, less costly system of rent control; and not least of all, creating a climate of greater certainty where people will invest in new rental housing and in the existing rental stock.

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We have also changed one of the most frustrating and confusing elements of the current system for both tenants and landlords: the method for settling disputes under the Landlord and Tenant Act. Disputes under the Landlord and Tenant Act were previously settled in court. It was not unusual for tenants and landlords to spend months resolving disputes. We have created a faster, more efficient process that moves disputes out of the courts and into a less formal system of mediation and adjudication before the new Ontario Rental Housing Tribunal. The tribunal has been up and running as of June 17, and I am pleased to say that the transition has gone very well.

There are 1.4 million residential units in Ontario with approximately 3.2 million tenants. To date, the tribunal has received and resolved over 8,500 applications for assistance. When the previous rent regulation legislation came into effect, it took months before the first cases were completed. I am pleased to say that this time the final decisions were out in a matter of just a few days. Applicants are generally getting their cases heard within three weeks and the members of the tribunal are getting their decisions out to the parties within two to three days.

To assist applicants, we have produced 20 brochures, translated into seven languages, including Braille and tapes for the hearing impaired. The tribunal has a toll-free inquiry line to help answer questions from Ontario's tenants and landlords. That system can take up to 2,500 calls in a day. We've made the system simpler and easier for everybody to understand, and not least of all, reduced the backlog in our court system and freed up valuable court time.

The changes to the Tenant Protection Act do not necessarily translate into significant dollar savings. The act has a much broader and longer-term effect. It lays the foundation for a fair and more efficient rental system, both for tenants and landlords, and it helps to produce a climate where people will invest in rental real estate.

If the rental real estate market is healthy, everyone benefits: the tenants specifically and the Ontario economy in general.

I am very pleased with the progress we have made over the past two years. The savings that we achieve benefit the taxpayers of Ontario. We came in with a very ambitious agenda and we've acted on it. The estimates of our ministry reflect our success. The administrative costs of the ministry have been reduced by a third. The estimates also reflect our commitment to the needs of the people of Ontario.

The tragic and far-reaching effects of the ice storm brought communities and people together. People look to government for support and financial aid and I'm very pleased that my ministry was able to contribute to this effort.

In closing, I would like to say that we will continue to streamline our operations. We will continue to look for inefficiencies and duplication. We have an obligation to the taxpayers of Ontario to balance fiscal responsibility with our social responsibilities. We've done that and we

will continue to do that. I thank the members of the committee for their attention.

**The Chair:** Thank you very much, Minister, for your comments. You have approximately another six minutes, should you care to use that for any further comments.

**Hon Mr Leach:** I'd like to indicate that I have members of the ministry staff with me here today. I'd like to introduce specifically our new deputy minister, Mr Michael Fenn, who is here.

**The Chair:** Welcome to you, Mr Fenn.

**Hon Mr Leach:** Many of you may know Mr Fenn's background. He was the CAO at Hamilton-Wentworth and has an extensive background in municipal matters. He is a great asset to our ministry and we all look forward to working with him. We have other members of our staff who will be able to answer specific detailed questions if members of the committee wish to pose them. With that, Mr Chair, I'm more than willing to relinquish the next five minutes to your discretion.

**The Chair:** Thank you, Minister. Then we will commence with the responses from the opposition parties, Mr Cleary to start.

**Mr John C. Cleary (Cornwall):** Minister, there are a few things that you mentioned in your speech about local governments. You want them to be more efficient and more accountable. I have been at a number of meetings in rural Ontario where municipal councils figure they're going to have to increase tax bills on small business by two or three times, and I just wonder what your comments are on that.

I was at a meeting down near the Quebec border the other night. There was a time scheduled to be at the meeting and I was there on time and you couldn't even get in the parking lot, there were so many small business people there.

**Hon Mr Leach:** There has been absolutely no action taken by this government that would cause a tax increase of any kind. The only thing that would cause a tax shift within a municipality, and most of them are tax shifts because I think that if you check in your municipality, you will find as many people are getting tax decreases as are getting tax increases — that's a result of this government bringing in a fair assessment process. The current value assessment process is finally going to bring some fairness and equity back into a system that I think everybody would agree was badly broken and damaged over the years. I'm not just talking about the opposition parties not dealing with this in the past. The Tory government was faced with a situation back in the 1970s. Nobody had the political wherewithal to go out and do something about it. The problem is that it just gets worse and worse.

We finally faced the issue that something had to be done on it. Some of the shifts are substantial. As a result of that, we tried to give the municipalities as many tools as we possibly could to make it possible for them to implement the new fair and equitable system as smoothly as possible. Some of them took advantage of those tools; some of them didn't.



I don't know specifically, Mr Cleary, about Cornwall, but I know that in many other areas they did take advantage of the tools available, and I'll use my community, the city of Toronto, as an example. They used the tools, they've smoothed the system and they have eliminated many of the concerns. We are presently working with AMO. AMO has come back and agreed that the system had to be fixed. We agree there are some shifts that have to be smoothed out and we've agreed to look and work with them to provide whatever additional tools may be necessary to assist municipalities in doing that.

**Mr Cleary:** So you feel the downloading was revenue-neutral?

**Hon Mr Leach:** Yes, the downloading was revenue-neutral on the trades between the delivery of services, when we said we would take 50% of education off the property tax and transfer other services in place of that. That was money in and money out.

Where the call of non-revenue-neutrality comes into play was with the municipal support grant, when we advised municipalities in 1995 that that grant would be eliminated over three years. They acknowledged that. The president of AMO acknowledged that. That was \$600-some-odd million. That came to the province's benefit and nobody has ever denied that. We'd said we were eliminating that grant and we eliminated that grant. That required municipalities to come up with cost savings of anywhere between 1.3%, I believe, and 4.2%. So yes, from a Who Does What standpoint it was revenue-neutral.

**Mr Cleary:** Municipalities claim that they're only getting half what they should get under the special circumstances fund. Do you have any comments on that?

**Hon Mr Leach:** A special circumstances fund just means that. There were many municipalities that had a different definition of special circumstances than many of the rest of us did. We had \$70 million, I believe, in that fund and it was distributed in a manner that was the most fair and equitable way to deal with municipalities that truly did have special circumstances. All municipalities didn't get everything they asked for. There isn't any doubt about that.

**Mr Cleary:** Many municipalities in our part of Ontario say they're going to have to increase their taxes by at least 14.5% on some of the issues. Part of it's to do with policing costs; others are different reasons.

**Hon Mr Leach:** That's a very good point. The policing costs is an excellent point. About half the municipalities in Ontario paid for their own policing and about half did not. Those that were paying were getting pretty fed up with the others getting a free ride and that free ride is over.

We have a \$90-per-house cap on all municipalities that weren't paying for policing in the past. Again this was an issue that was brought in to ensure fairness and equity right across Ontario. The problem we were facing in this province was that we had not necessarily bad policies, but fractured policies that didn't apply consistently right across the board. You had some municipalities that were benefiting greatly as a result of the province picking up all the policing costs, while other municipalities were bearing

that load themselves. We've levelled that playing field to make sure that everybody pays their own way.

1630

**Mr Cleary:** We were right in the heart of the ice storm and we're getting call after call from people wondering when the people who had losses will be getting their money. Some of them are very worried that they won't get the repairs done before winter. They can't go through another winter the way they are.

**Hon Mr Leach:** I'm sure you're aware of how the process works. The disaster relief committee is made up of all local people, all people from your community. The province's funding is paying \$4 for every dollar that's collected by that local committee of your neighbours. Those individuals, the umbrella committee, the Eastern Ontario Disaster Relief Committee, along with the eight other local committees, are responsible for processing the claims, making sure people get the emergency plumbing they need and making sure that anybody that had an emergency situation got money immediately.

We flowed money to the committee; the committee distributed it. I think they did an excellent job. They were all volunteers. Not one of them got paid a cent. As I mentioned in my comments, they were truly the heroes of this event. They put in countless days and hours making sure the people in eastern Ontario were dealt with as quickly and as effectively as they could.

**Mr Cleary:** So you're saying the provincial money is there now.

**Hon Mr Leach:** The provincial money has been there. Whatever was required flowed. As I mentioned, this is a three-way process. It's the federal government, the provincial government and the municipalities. We worked together co-operatively on this one. All three levels of government, I thought, worked very well together. But it was the local disaster relief committees that processed the claims, decided what claim was eligible and decided what got paid, and they did an excellent job.

**Mr John Gerretsen (Kingston and The Islands):** Let me just continue on that line. You state in your speech there's been 28,000 claims made. How many claims have actually been paid out? Do you have any statistics on that? It's my understanding that no claim has been paid out as yet. I could be wrong. Maybe you could correct me.

**Hon Mr Leach:** I think that you are wrong, because I know there are about 8,000 claims — my goodness, they are just moving faster than I thought — 12,439 claims, for example, have been paid. My understanding is —

**Mr Gerretsen:** Have been paid to the individuals that filed the claims?

**Hon Mr Leach:** That have been paid to the individuals that filed the claims.

**Mr Gerretsen:** When did that happen?

**Hon Mr Leach:** There were many claims that were paid within days of the initial money flowing. I personally went down there, and you were with me in many instances, where we provided money to municipalities to get out there and pay immediately.



**Mr Gerretsen:** Just a minute now. There were two pots of money. One pot was for municipalities and there was another pot for individuals who actually made the claims.

**Hon Mr Leach:** Yes.

**Mr Gerretsen:** I'm talking about the claims that individuals made, not the municipalities.

**Hon Mr Leach:** Yes. Right in Mr Cleary's back door in Cornwall there were people that had claims of less than \$200 who were paid immediately right on the spot, right there.

**Mr Gerretsen:** Oh, the \$200 cheques; we're talking about - you made the statement earlier that 12,000 of the 28,000 claims have actually been paid.

**Hon Mr Leach:** That's correct.

**Mr Gerretsen:** Have they been paid in full?

**Hon Mr Leach:** To the best of my knowledge they have been paid in full. You have to realize the way this process works. The first thing, anybody that had damage had to claim on their own insurance company. Everybody appreciates that. That's what insurance is for. If they had damages that weren't covered by insurance, then they could make a submission for payment of that. Those claims were put to the disaster relief committee, they evaluated the claim, along with their adjusters, and if it was an eligible claim they could pay it almost immediately.

The number of claims that came in at the last moment was surprising. I think it ended at the end of June and the last few weeks there were thousands and thousands of claims made by individuals who were just making sure they were touching all the bases and putting in a claim. Some of those are taking some time to evaluate, there isn't any doubt about that. But I can say that the claims process and the disaster relief assistance that was provided in this disaster was better, faster, more efficient than any disaster relief program that has ever been undertaken in Canada. Your federal counterparts will attest to that as well. Give Mr Eggleton a call.

**Mr Gerretsen:** Until very recently we continued to hear from people who had made claims under this program — I'm not talking about the municipal program now but the individual program — where even the local committees were saying the money just hasn't been made available by your ministry. Maybe that's changed. Maybe Jean-Marc's got a question.

**Hon Mr Leach:** The money would be made available. If you have any specific cases, I would be glad to take that information and get it back to the disaster relief committee and ask them for a status report on any specific claims that you may have. My information is that it was processed as quickly and as efficiently as possible, all by volunteers.

**Mr Gerretsen:** The people's problems are not with the individual committee that operates in each community or the umbrella group. They're fantastic people, they try to do the best they can. I totally agree with you on that. But it's my understanding from talking to some of those people who are on these committees that in fact the provincial funding wasn't flowing or hasn't flowed. That may have

been rectified, from the numbers that have just been given, but that's certainly a very recent phenomenon.

**Hon Mr Leach:** They're not correct, because I can tell you that we went down within days and made sure there was \$50 million of provincial money available for distribution as the municipalities saw fit and as the disaster relief committee saw fit.

**Mr Gerretsen:** Those were the \$200 cheques that anybody could receive who felt that they were entitled to it, without any receipts or what have you. I'm not talking about that money. I'm talking about the money that was claimed after they went to their own insurance companies.

**Hon Mr Leach:** That's right.

**Mr Jean-Marc Lalonde (Prescott and Russell):** I've been following this very closely, and I had a discussion with the minister on this too. Definitely, a lot of claims have not been settled yet, and people have borrowed large amounts of money, right up to \$96,000, to have their buildings fixed so they could continue operation. But I'm in contact regularly. Now it seems to be flowing a little better. I agree with you, there are over 12,000 claims that have been partially paid or a very little amount.

I have cases — I was just on the phone a few minutes ago again. They've received \$450 on a \$5,000 claim and another \$128 on a \$12,000 claim. The problem seems to be that at the present time the committee is meeting once a week to review the recommendations. I really feel that this committee — true, they are heroes, they are volunteers — probably should be employed by your ministry to speed up the process.

At the present time the adjusters are visiting the area, for which they're getting a certain amount of money. Sometimes it takes two or three visits by those adjusters. Then it goes to this company that got the contract, but it's not entered into the computer that the first step has been reached. It goes to the committee, but they don't know where it is. The claimants are making calls and they're getting all sorts of answers. This is where they get frustrated.

I was telling them last week that there's a step missing in there. I think the ideal solution to try and solve some of the problems or some of the questions that the people have — I've been telling them very often that they should have a press meeting and explain the procedure that they are following. That would clarify a lot of positions. They haven't been doing it.

**Hon Mr Leach:** I'm quite surprised to hear that, because I know that they have a communications person with the umbrella committee who has been keeping the municipalities and all the stakeholders involved. If you have a specific instance, if you could provide me with the information I will follow up on it and see what happens.

I was interested in the comment that you made that there's a \$96,000 claim. If you have the specifics on that one, I'll take it back to the local committee and ask them to investigate and get back to us. These are decisions that are made locally. They're made locally by the disaster relief committees. We set them up specifically because it's the local individuals who know their neighbours, know

what claims should be paid, are able to assess them quickly, have an understanding of the local conditions. The local committee made up of local people from Cornwall and Kingston and Ottawa is there making its decisions to make sure that their neighbours are paid their appropriate amount as quickly as possible. If there's a problem with the way that process is working, if you have any specifics, I'd be glad to follow it up with the umbrella committee.

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**Mr Lalonde:** Could I just continue?

**The Chair:** Yes, you have another 10 minutes.

**Mr Lalonde:** When I referred to this \$96,000, just to show that there was a need there, the Ministry of Agriculture has lent some money to this farmer, \$25,000. But the bank is still after the balance. That settlement hasn't been done. When I call, I get full co-operation, but when individuals call, they just can't get the answers.

I agree; at the beginning, when you said there was a certain amount of money given, that was for the urgent need. But the claimants did not receive that money at the beginning. It's only the municipalities that received that, for the immediate relief that they had to give to the people. But the other people have not received that money.

**Hon Mr Leach:** As I mentioned earlier, the first step for an individual to do was to claim through their insurance company. Obviously, claiming through their insurance company takes some time to process. It's only that portion that is not covered by their own insurance that the Ontario disaster relief committee would look after. There well could be a delay in that process if the individual's insurance company required additional information or didn't process the claim as quickly as may have been desirable. That perhaps could account for some of it.

I know that when claims come to the local disaster relief committees, they're acted on as quickly as humanly possible. I know from research that we've done across North America that they're being processed faster and more effectively than any other disaster relief program in history in this country.

**Mr Lalonde:** Some of the claims from April have not been settled yet.

**Hon Mr Leach:** That's quite possible.

**Mr Lalonde:** They haven't seen the adjuster visiting them either.

**Hon Mr Leach:** Again, if you have specific examples, I would be glad to take any specific examples, investigate them and get back to you.

**Mr Richard Patten (Ottawa Centre):** Minister, in your presentation, you made the comment that if the rental real estate market is healthy everyone benefits, the tenants especially and the Ontario economy in general. Could you elaborate on that? When you say the real estate market is healthy, what does that constitute for you?

**Hon Mr Leach:** It's healthy when they can get a fair return on their investment; when the amount of taxes they have to pay on a rental building is fair and equitable and comparable to something they would pay on a condo or a residential property; when they're building a rental prop-

erty, that they pay the same amount of GST or PST on a rental as they would on a condo. All of those things have to be melded together to make sure that the rental market is healthy. We've made a lot of steps to make sure that's happening.

**Mr Patten:** I was thinking in particular about the tenant. I wonder if you have had an opportunity to — as you know, I represent an Ottawa riding, Ottawa Centre. I've been reading the interim report on the mayor's homelessness task force which just came out. I haven't quite finished it yet, but I've read about three quarters of it.

**Hon Mr Leach:** Ottawa?

**Mr Patten:** No, it's from Toronto, the Anne Golden report. It's an interim report. The whole housing field is complex, no doubt. When you were dealing with Bill 96 you said getting rid of rent controls would lead the private sector to build new rental units, and that may be true. But if we look at the lower end of low-income families, what have been the results to date? What has that particular policy, that particular legislation stimulated?

**Hon Mr Leach:** It was only passed and went into effect on June 17 of this year, so it's a little early to see any specific results, although I can pass on to you that in my conversations with various developers that are in the rental construction business, they are prepared to go. There were a couple of other steps that they had asked for help on and one was the property taxes, making sure that residential property taxes on rental units was the same as on a condo or a single family dwelling. We have given the municipalities the ability to put that in. Some municipalities have done that, some have not, and I think when that sorts itself out over the next few months you'll see some rental buildings under construction.

**Mr Patten:** The bill is recent, new, but when you first got in, in 1995, you cancelled 17,000 units of affordable housing and social housing. Our figures suggest that very few, if any at all, have been developed for what are classified or categorized as people who need affordable housing, who are spending more than 30 per cent of their income on housing. By that definition, there have not been any units in the Toronto area that have come on line in the last three years. So we are not just talking since the bill.

**Hon Mr Leach:** It may have been very affordable to the individual involved but it just was not affordable to the taxpayer. We have a co-op housing program, and I agree that co-op housing is probably the best way to go to provide affordable housing. The program that we had in effect in the late 1980s and early 1990s turned into a boondoggle, a good idea that just went bad. We've got almost a billion dollars in debt and less than \$400 million in assets. It was something that was just hijacked by groups and individuals who would put up a co-op next door to a condo and the co-op would cost half as much again as the condo because the government was picking up the bill. It was a program that we just had to get our hands on and get a handle on.

We've done that. I think the private sector has the ability to provide housing at all levels, high end and low end.



If you give a level playing field that allows them to get a fair return on their investment, they will get out there and build. But everything was thrown in their face to stop them from doing that. Why, for example, would municipalities charge four times as much property tax on a rental building as they do on a condo? Does that make any sense? Does that encourage the construction of rental housing? I don't think so. We have given the municipalities the ability to bring that down. Does it make any sense to charge seven per cent on construction?

**Mr Patten:** No. We talked to developers as well and they say: "We are in business, we want to make a dollar. There are no incentives for us to build lower-end rental units."

**Hon Mr Leach:** Not with the conditions that were in place at the time, but as I've said, we're levelling that playing field and we're taking all of the impediments away from them being able to do that.

**Mr Patten:** In Toronto, what would that level be? Can you name a developer who is engaged now in the process of permits to build a certain level of rental housing?

**Hon Mr Leach:** There are a number of developers in the Toronto area that are sitting on land that is zoned for rental accommodation that are prepared to build as soon as they can get a commitment out of the municipality to ensure that the property tax system will be fairer and more equitable than it is now.

**Mr Patten:** This interim report suggests a direct correlation between expanding the housing stock for all people, and homelessness. It's not just people short of housing; there are many people who end up homeless. There is a direct relationship with the reduction of affordable rental housing stock in the Toronto area.

**Hon Mr Leach:** There was no reduction. You've got to remember that we did stop the co-op boondoggle that was going on, but every project that was under construction continued and was completed. It was only projects that wouldn't have even started construction until about this year that were cancelled. So the cancellation of that program had absolutely no affect on the short-term housing supply.

As a matter of fact, it's very interesting to note that Anne Golden's numbers apply to what was taking place in 1990. Between 1990 and 1995 are the statistics that she is using in her report. So the disastrous results that she's referring to relate to the actions of your government from 1985 to 1990.

1650

**Mr Patten:** That's not what her figures say here. She's talking about —

**Hon Mr Leach:** I think the statistics she's using are statistics that were in place between 1990 and 1995.

**Mr Patten:** So you now have a plan that's going to see new housing stock come on for low-income people.

**Hon Mr Leach:** There's a need to ensure that there is appropriate housing for all members of our society. There isn't any doubt about that. When you read the report that Anne Golden has produced for the city of Toronto, but when you also look at the report that has been undertaken

by Minister Ecker's ministry and Jack Carroll, her parliamentary assistant, on the effects and balance of Ontario, and when you look at the information that's being provided by the social housing task force, whose report should be available within the next two or three weeks, you certainly understand that there was a need for all three levels of government to work co-operatively in providing social housing. We're going to be working with the federal government and with the municipalities in doing just that.

**Mr Gerretsen:** Let me get into that for just a second; we only have three minutes left, Minister. Isn't it true that the provincial government currently has absolutely no plans at all for any kind of social housing or any kind of low-rental housing, call it what you like, to be either built or financed by the provincial government?

**Hon Mr Leach:** That's correct. We stopped the co-op housing program because —

**Mr Gerretsen:** Not only co-op but non-profit or your own social housing. You have no plans at all to build any housing whatsoever?

**Hon Mr Leach:** That's correct. I don't believe the provincial government should be in the bricks and mortar business. I think we should be in the business of making sure that individuals who need help in finding accommodation get that accommodation. I think the local municipalities have a responsibility for providing social housing and we as a government have an obligation, through rent supplements or other means, to make sure that individuals have the ability to pay rent.

**Mr Gerretsen:** But isn't it true that the reason the province and feds got involved in it initially, many years ago, was because municipalities simply didn't have the financial wherewithal to create the kind of social housing that was needed for the lower end of the scale?

**Hon Mr Leach:** That's absolutely correct. That's why we're giving the municipalities the financial wherewithal to do it, because we're taking education off the property tax, 50% already, and giving them the tax room and the funds necessary to provide the social housing.

**Mr Gerretsen:** What do you mean "the funds necessary"? The municipalities themselves will raise the funds necessary. The province is completely going out of —

**Hon Mr Leach:** Because they now have the tax room to be able to do that.

**Mr Gerretsen:** You're completely going out of the housing business.

**Hon Mr Leach:** They couldn't do it before because of the crushing load of education taxes. When my tax bill in Toronto was 80% education and 20% for municipal services, that just drained the taxpayers' ability to provide services the community needed. By taking 50% of education off the property tax we've given the municipalities the tax room to go in there and raise the money they need to provide the social services their communities need.

**Mr Gerretsen:** So the agreement you're talking about with the federal government, because the federal government's going out of it as well, is basically only for one purpose and that is to off-load all these social housing



units on to the local municipalities. That's the agreement you're talking about. You're not talking about any kind of new housing component at all.

**The Chair:** Mr Gerretsen and Minister, we'll have to ask you to hold on to this discussion until the next round.

**Mr Gerretsen:** Can he answer the question?

**The Chair:** With Mr Marchese's consent, sure.

**Mr Rosario Marchese (Fort York):** Sure.

**Hon Mr Leach:** Yes, because the federal government agrees, and we agree, that we should get rid of the waste and duplication that was in that housing system and that there should be one level of government that's responsible for doing it.

**Mr Gerretsen:** And that's the local level?

**Hon Mr Leach:** That's the local municipality.

**The Chair:** Mr Marchese, for the third party. You have 30 minutes.

**Mr Marchese:** I'm going to talk about the tenant protection package for a bit and ask you to focus on that. I'll refer you to page 18 of your own report and then I'm going to get back to the housing —

**Hon Mr Leach:** I'm sorry, page 18 of —

**Mr Marchese:** Page 18 of the report that you read out today.

**Hon Mr Leach:** I'm sorry, mine's not in the same page-numbering sequence as yours is, so I can't get it.

**Mr Marchese:** Mr Chair, I don't mind staff sitting with the minister if he would prefer, either the deputy or the other political person or whoever she might be. If you'd like to sit with her, that's fine with me.

On page 18 you say: "The Tenant Protection Act continues to protect tenants, while solving the problems with the system. The new act has achieved four key goals," and the first one is, "protecting tenants from unfair rent increases and arbitrary eviction."

Could you explain, as you can, how tenants were protected from those unfair rent increases.

**Hon Mr Leach:** Because we maintain rent control. We maintain exactly the same formula that your government put in place. You did something right there. You put in a good formula that says that there's a —

**Mr Marchese:** I appreciate the compliment. Rent control still continues. I appreciate that. Talk about, if you can, decontrol and how that protects tenants.

**Hon Mr Leach:** When there's a vacant apartment there is no tenant. When you rent an apartment rent control applies to you. As soon as you're in there, from then you're covered.

**Mr Marchese:** I appreciate that. Of course, if there are increases —

**Hon Mr Leach:** By your own formula.

**Mr Marchese:** Thank you very much for the compliment again. Perhaps we could just get back to the other problem, though, of tenant decontrol. I'll explain: If you're still in the apartment, you're a sitting duck, we say, because you still have increases that you didn't have before, from 3% to 4%, plus the additional cost that you've got through the extraordinary cost of taxes that weren't there before now.

**Hon Mr Leach:** Actually, taxes will be coming down.

**Mr Marchese:** It's an addition too. It wasn't there before. Do you follow that?

**Hon Mr Leach:** The taxes that weren't there before?

**Mr Marchese:** Whatever increases there might be in property taxes are now added on to the cost, whereas before it was part of the cost, right?

**Hon Mr Leach:** Yes, or any tax decreases that occur are deducted.

**Mr Marchese:** God bless them if they can get it.

**Hon Mr Leach:** No, it's law. They must be passed through. The taxes on apartment buildings being four times the residential rates —

**Mr Marchese:** I heard that. I'll try to get to that.

**Hon Mr Leach:** There's only one direction for that to go.

**Mr Marchese:** But if I can, I realize there's so much to say. I want to be able to get through these and then ask other questions, of course, if I can.

The decontrolling means that if I leave, as a tenant — I'm still a tenant — I've got to go somewhere else. I can't afford a house, so I'm still a tenant. For whatever reason, if I have to go find another place, unfortunately now, as I move to another place, I will be charged whatever the landlord is able to get out of me. From the evidence we've got so far there's been a \$200 increase, on the average, for those folks.

**Hon Mr Leach:** I have absolutely nothing to substantiate that.

**Mr Marchese:** I didn't think you did.

**Hon Mr Leach:** If you have any information I would be pleased to have it.

**Mr Marchese:** We'd like to pass it on to you.

**Hon Mr Leach:** I can tell you right now that in the vast majority of communities in Ontario, rents being charged by landlords are far less than what they were allowed to charge under your legislation.

**Mr Marchese:** If you've got evidence for that, please show it to us.

**Hon Mr Leach:** I can do that. This shows you that market conditions will truly set a fair and reasonable rent.

**Mr Marchese:** I appreciate the philosophy of conservative economics, but we don't buy into it because we argue it's a problem. It's a matter of political difference.

**Hon Mr Leach:** That's only because you're wrong.

**Mr Marchese:** Of course. That's why we have these debates, because we're wrong and you're right. Those polarities are always there.

The poor person who faces an eviction for whatever reason — and there are many — we argue is faced with rent increases, and therefore we say there are no protections for that individual.

**Hon Mr Leach:** Why are they faced with a rent increase? I don't understand that.

**Mr Marchese:** This is going to get very long. If we already have a problem in terms of understanding, we're not going to get through to the second point. Decontrolling means those folks, once they move into another place, are

faced with an unclear market in terms of what people will charge them.

**Hon Mr Leach:** That's right. The rent could actually go down.

**Mr Marchese:** No, Minister. I know you want to say that.

**Hon Mr Leach:** In Ottawa we talked to a landlord — rents went down in Ottawa —

**Mr Marchese:** We're not going to be able to have a good debate —

**The Chair:** Pardon me, Mr Marchese, Minister. For the benefit of Hansard, if we could get one person speaking at a time, it would be helpful.

**Hon Mr Leach:** My apologies, Mr Chair.

**Mr Marchese:** We're trying.

**The Chair:** I know. I appreciate the effort and I didn't want to jump in till I thought it was —

**Mr Marchese:** We've got a problem with this, and so did many tenant groups. You will recall — we told you because you weren't able to make many of the meetings obviously, and I appreciate that; you're a minister — that most of the tenant groups that came to those meetings said: "Leave the existing rent control in place. It protects us." You in your conservative wisdom said: "You guys are wrong. You don't know any better. We'll try to fix it for you. Unfortunately, in spite of all of your claims, all of you out there, organizations and individuals fighting to keep rent control, we've got to change it because that's the best protection for you." The point is, all those poor folks are unfortunately wrong, in your opinion. Is that the way you would see it?

**Hon Mr Leach:** We think the act that was proclaimed in June protects tenants, protects landlords and gives a fair basis for both parties.

1700

**Mr Marchese:** I understand. I was going to go through the other points there. I'm not sure it's worth it really, because I'm not sure our differences are going to be clarified through the points you make and the questions I ask, but I'm going to try.

Let's look at the next one: "Improving maintenance and getting tough on landlords who fail to take care of their buildings." What are you doing there to fix that problem?

**Hon Mr Leach:** Under the previous legislation they used to have to give notice before they could put out a work order for improvements or repairs to be done, if they were necessary. Now they don't have to get that initial order. They can give a position for the work to be done immediately without that work order. They don't have to give that notice-of-work order. They can go right in and give the work order to the apartment builder and say, "Fix it." If they don't fix it, it is fixed and it goes on their taxes.

**Mr Marchese:** That does rely on tenants to have to bring the complaint through, doesn't it?

**Hon Mr Leach:** If they're not satisfied with the condition of the apartment, yes, it would be contingent on them bringing that to the landlord's attention and then to the rental tribunal after that.

**Mr Marchese:** Part of the problem as I see it is that you've got a third of three million people who earn less than \$20,000, and I suspect the literacy level of a lot of these people is very low. New to the country, many of them don't know how the system works. I'm not sure you're putting out information to them individually saying in their own language: "This is what you can do. In the event that this person isn't doing this particular maintenance job, these are your rights." I'm not sure you're doing that. So how do these people really protect themselves?

**Hon Mr Leach:** Actually we do. We put out the brochures in numerous languages, particularly in Toronto, particularly in my riding and your riding where many of the individuals you're referring to reside.

**Mr Marchese:** Could I see? Maybe the deputy or someone else has some of those brochures that they could show me. Does anybody have them? In the different languages even.

**Hon Mr Leach:** We put them out in different languages. We put them out in Braille.

**Mr Marchese:** Perhaps you might send it to me, or any other members, because I'd like to see that.

**Hon Mr Leach:** They're probably in your constituency office. We sent them out to all the members.

**Mr Marchese:** I thank you for that, but I'm more concerned about —

**Hon Mr Leach:** I know they're in my constituency office. You could send your people over and they could —

**Mr Marchese:** We try to send them over to you.

**Hon Mr Leach:** In groups usually.

**Mr Marchese:** Let me get back to the issue.

*Laughter.*

**Mr Marchese:** Sorry, I didn't hear that.

**Hon Mr Leach:** In groups.

**Mr Marchese:** Well, we do our best. Things happen in groups, we argue, because individually it's a lot more complicated. We say, "Look, it's the obligation of the minister to meet with you, and if they have no time, they don't deserve to be there." Right?

**Hon Mr Leach:** Oh no, I meet with all of them.

**Mr Marchese:** On the matter of housing, I believe we have a crisis on our hands. Do you share that view?

**Hon Mr Leach:** I think there is a need for a strong housing policy, and we're going to work with the various levels of government to make sure that policy is in place. There's a need for the federal government, the provincial government and the municipal governments to deal with issues that relate to housing —

**Mr Marchese:** So we have a problem. Do you admit that we have a serious problem?

**Hon Mr Leach:** I admit that things could be better, certainly.

**Mr Marchese:** Many people say we have a crisis on our hands. There's a fellow whose name is Mark Guslits, who's a developer who's interested in finding solutions to housing low-income families. He raises this point. He says, "How did Canada go almost overnight from being a world leader in developing good social housing to having almost no programs?" He is as convinced as I am that,



"Unless the provincial and federal governments make substantial investments in housing programs, the need for affordable housing will never be met." That's the comment I make and the comment he makes.

You're saying the federal government is to get involved as well. But you also said the provincial government shouldn't be involved. How do you mean the provincial government should be involved? I am not quite clear.

**Hon Mr Leach:** The provincial government does not necessarily have to be involved in the construction of the bricks and mortar. We believe that the municipal government, the local government should make the decisions as to where social housing should be built, what standard it should be built to, the quality and so forth. That's a local need. The provincial and federal governments should make sure that we have policies in place that encourage both the development industry and the building industry to get out there and build that rental accommodation. They'll do that if we —

**Mr Marchese:** So the role of the federal government is to find ways to encourage the private sector to build, whatever they may be — we don't know — is that it?

**Hon Mr Leach:** Yes.

**Mr Marchese:** The provincial government says, "We're trying to help municipalities by the download that we have accomplished, to give them more power, including the power to be able to deal with that differential between the taxing of condominiums and the rentals." In that way, you're saying the provincial government is also helping. Is that your role?

**Hon Mr Leach:** That's correct.

**Mr Marchese:** We just don't see that happening. We just don't see that working.

**Hon Mr Leach:** Stay tuned, it will.

**Mr Marchese:** But that's the problem, because those who are staying tuned — and me, I have a house that I'm paying a mortgage on, so I'm OK, but the ones who are the stay-tuned types are in trouble. There are many statistics that I want to share with you as quickly as I possibly can. This is Breaking the Cycle of Homelessness. It's an interim report of the mayor's Homelessness Action Task Force. It's a great report. If you haven't read it, I urge you to look at it. They also say on page 9 —

**Hon Mr Leach:** Is that the draft report? The final one isn't out yet.

**Mr Marchese:** It doesn't say "draft" here. Oh yes, it's interim. But this statistic doesn't change and I'm sure it won't change. It says:

"From this analysis it was estimated that a staggering number of people in Toronto, more than 80,000 people, are at risk of becoming homeless. These are people who are spending more than 50% of their income on rent and are living in extremely precarious housing situations."

I tried to underline many statistics that I thought would be useful for you, but I'm going to quote some other statistics and then I want you to respond. "In Toronto, a staggering 37,000 households are now on the waiting list for rent-geared-to-income housing, nearly double the 1995 number." This is during your period, not ours. "Forty-six

per cent of shelter users are families with children, yet families with children face an impossible 10-year wait for rent-geared-to-income housing."

Toronto's not alone. In the region of Niagara, the local housing authority reports an increase from 921 families in 1996 to 1,709 in 1998, during your period again. That's an 86% increase.

In north Waterloo, in spite of the strong local economy, as indeed in many parts of Ontario, waiting lists remain constant at about 1,000 families. A 1997 study done for Peterborough concluded that one in three Peterborough households is facing a housing crisis. In Toronto, the mayor's Homelessness Action Task Force reports that the greatest loss in housing affordability is being experienced by families with children. There are 250,000 to 300,000 families in the new city of Toronto who cannot afford market rent. This number increases by 5,000 to 6,000 families every year. Applying these data to the whole province indicates an additional 15,000 to 18,000 households a year are seeking affordable housing.

I gave you statistics because they're based on credible studies, I think, and you can probably get hold of them if the deputy doesn't have them or hasn't seen them. But in my view, this speaks of a crisis. I'm not convinced, as you all are, that passing this responsibility down to housing where the tenant and the homeowner end up having to pay for the new power, the responsibility of having to pay for housing and to have to find ways to create new housing — I'm not sure that is right to do. My view is that the provincial government should do that through its income tax system, not through the property tax system. But you obviously don't share that view.

1710

I don't see the municipality having the power or the resources, as you say they do, to do this unless I argue and many other people in the field argue, "You get involved in the way that we were involved." Unless the federal government puts some money into it, the crisis that I speak about is going to get worse. What do you think?

**Hon Mr Leach:** I believe that — as your statistic shows, it varies from municipality to municipality — municipalities are in the best situation to determine what social housing should be built and construction maintained in that particular area. What the province has to do is make sure they have the financial wherewithal to do that. They would be responsible for financing and paying for social housing. The province is going to make sure they have the tax room available to be able to do that. That was part of the trade of the services we went through.

**Mr Marchese:** Right, I appreciate that. I don't agree with it and neither do they. Most municipalities —

**Hon Mr Leach:** We've had a number of municipalities that are — obviously, if they can get somebody else to pay for it, they would be glad, as we all would. If I can get the feds to pay 100% of it, I would grab it in a minute.

**Mr Marchese:** Let me ask you this, because it's a point I made. I wanted to ask it as a question. Do you think it's fair for the income tax system through the province to pay for housing and its needs, or do you think the



taxpayer of homes and the tenant should pay for housing? What do you think is fair?

**Hon Mr Leach:** I agree with you. I have stated publicly at AMO meetings that income distribution issues should be paid for on the income tax base. I agree with that, the Premier agrees with that and the Treasurer agrees with that. As a matter of fact, I think at the last AMO conference just a few weeks ago the Treasurer stated that when we get our fiscal house in order, we will be moving in the direction of removing social service income distribution items off the property tax back to —

**Mr Marchese:** But you've downloaded all of that. You've downloaded more child care, more welfare and all of housing to the municipalities.

**Hon Mr Leach:** We're getting into an issue that is outside of the purview of this ministry and more into social and community services, but the province pays 80% of welfare. I honestly believe that as we get our financial house in order, the province should assume that other 20%. I think the goal is to do that but it's a trade-off. We'll take that 20% —

**Mr Marchese:** We don't see it as a trade-off. I don't see it as a trade-off and I don't believe the property owner and tenant should be burdened with that. In that trade-off, which you say is neutral and which we argue isn't — it is not a good trade-off. Those responsibilities are in my view larger-picture responsibilities that properly belong to the provincial government. You seem to feel tranquil in the notion that by doing this trade-off, everything should be OK. I'm saying that we have a crisis that's not going to be fixed unless you're involved. Your involvement says, "Let's get out of the way and let the private sector do it." But the private sector is not building, therefore we have a crisis on our hands.

**Hon Mr Leach:** I believe, as I've stated previously in this conversation and in previous statements, that the private sector will go in and build if you provide the economic climate for them to do it. As Mr Gerretsen mentioned, they're there to get a return on their investment, and they should. If the federal government and the provincial government provide the right economic climate, they will provide the necessary housing.

**Mr Marchese:** I hear what you're saying and you've always been saying this from that side: that the only time the people will build is when they can make a profit. But to do so, we have to give a whole lot to them, otherwise they will not build.

This is where I get to a British Columbia study. We also have other studies. A 1998 study commissioned by British Columbia Housing — it's called Cost-Effective Housing — concludes that government is more cost-effective in providing low-income housing. After studying 34 equivalent market and non-profit units over a 20-year period, the study concludes that within five years the cost of the non-profit unit is lower than subsidizing market units through shelter allowances. In BC the long-term savings of operating 16,000 older non-profit units compared to subsidizing market rents is \$32 million a year by the 25th year of the program. I'd like to be able to get

such a study so that we can get feedback from your deputy and others.

It has always been my belief that that housing stock should belong to the government, should belong to the people, that in the long run it is an asset that belongs to us, not to the private sector, that we control those rates and that we give breaks to people who sometimes cannot afford them, who fall by the wayside for a lot of market reasons. If we don't do that —

**Hon Mr Leach:** Just in response to that, if I could, I believe that when the government gets involved in building the bricks and mortar without paying attention to the needs of the individual, that's when you have a problem. If I'm an individual and live in Toronto and I choose to move to Ottawa or to Kingston or to North Bay or wherever, I should have the right and the wherewithal to do that. That's why I think if we're going to help individuals, then it should be in a rent supplement to individuals that's affordable to allow them to move — look after the individual, not look after the bricks and mortar. The municipality should build the bricks and mortar they need.

**Mr Marchese:** They don't have the money to build. They can't build. So we have a housing crisis.

**Hon Mr Leach:** We're providing them the wherewithal to have that ability.

**Mr Marchese:** They don't have the wherewithal, they're telling you that, I'm telling you that, therefore we have a crisis that's getting bigger and bigger. By the time you are aware of it, we won't be able to deal with it very well. You say that your solution is to provide individual support, that municipalities have the wherewithal, which I say they don't, and then you say, "We want to give individuals the ability to be able to go out there and find something that's suitable to them."

We know that people with disabilities, for example, are having a hell of a time finding appropriate accommodation. How do we give that person that little allowance, whatever it might be, to be determined by you folks? How do we find appropriate accommodation for that individual or for those thousands of individuals who need appropriate housing that nobody is building? Where do we send them?

**Hon Mr Leach:** As I've said, you provide the right economic conditions to get the private sector into building accommodation. The private sector built just about all of the social housing.

**Mr Marchese:** They built it because federal governments were involved, both Liberal and Conservative, and Conservative governments were involved through many different forms of subsidies.

**Hon Mr Leach:** Go and see the names files and see how many of those buildings are owned and operated by the private sector. They're owned and operated by the private sector. They will build and they will maintain them and they will provide it —

**Mr Marchese:** The only thing they're building these days is condominiums and even there, there's a glut.

**Hon Mr Leach:** That's because we made the playing field so uneven that nobody in their right mind would

invest in a rental building. You'd have to be crazy to do that.

**Mr Marchese:** It's going to take a hell of a lot more than the tenant protection package that you've given to help landlords.

**Hon Mr Leach:** We've always said that. We said that the tenant protection package is just one of the tools —

**Mr Marchese:** We know that. I read the report; I know. But we've got a crisis, Minister, I'm saying to you, and it's a big one. I read to you statistics that should alert you to the problems we have through homelessness, through the shelter programs that visibly show that the numbers are increasing, through people on waiting lists everywhere in Ontario where the numbers are increasing. It speaks to the crisis we've got, and you're saying the federal government should somehow do something to help. You're saying that municipalities should deal with the differential between condos and rentals and I'm saying that's not enough, and we still have a big problem on our hands. What do we do?

**Hon Mr Leach:** I hate to get into this type of debate, because I could say that if you take a look back at the policies that were in place, there was not one rental building built in the last decade, not one.

**Mr Marchese:** We were building. We were the only ones building. The NDP Ontario government —

**Hon Mr Leach:** You were building co-ops. There was not one low-rental, just co-ops.

**Mr Marchese:** Co-ops, and non-profit housing built by the private sector, of course — we were building as a government, recognizing there was a need. We're saying through the British Columbia study — we have other studies — that it's cheaper in the short and the long run for us to be building.

**Hon Mr Leach:** That's why we stepped in. They were building co-ops at a cost of about \$115 a square foot when a guy could put up a condo next door for \$80.

**Mr Marchese:** Why is the private sector not building, then, if they could do it themselves?

1720

**Hon Mr Leach:** Because the playing field wasn't level. The taxes were way out of whack. The tax situation just on construction: Why do they pay 7% on the construction of a rental building and 4% if it's a condo? Does that make any sense? It doesn't make any sense to me.

**Mr Marchese:** You know that if municipalities do that, it's a political problem for them because it means a loss of income to them. Would you not agree?

**Hon Mr Leach:** No, I missed that point.

**Mr Marchese:** You know that there is a tax differential between condominiums and other rental buildings, right? Four times, more or less.

**Hon Mr Leach:** Yes.

**Mr Marchese:** If they bring it lower, would you not agree the city loses some money or a lot of money?

**Hon Mr Leach:** Are you trying to tell me that tenants should pay four times as much as a single resident?

**Mr Marchese:** We realize that is a problem; tenants are paying a lot more, quite right. We admit that. Is the

answer then to say, "Let the city reduce that differential," and does it not mean a great loss of income for the city? I'm telling you they've got a dilemma. How do they deal with the dilemma?

**Hon Mr Leach:** It's going to cause a redistribution, there isn't any doubt about that, but a municipality has a responsibility to ensure that its taxpayers pay on a fair and equitable basis. You don't shaft tenants. What you're saying is, "Sock it to them."

**Mr Marchese:** What you have done is to relinquish your responsibility and then say to the municipality, "We empower you to fix it." Then you say, "We blame those terrible municipalities" — which have a financial crisis caused in large part by you — "for not fixing this problem." Is that your answer to the problem?

**Hon Mr Leach:** I'm saying we have to bring fairness and equity back into the property tax system. If that causes shifts in taxes and that causes residential property taxes to go up in my neighbourhood, then residential property taxes should go up. Mine have gone up, they've gone up substantially, and so they should have.

**Mr Marchese:** You're raising a different problem.

**Hon Mr Leach:** No, I'm not.

**Mr Marchese:** It doesn't touch my question.

**Hon Mr Leach:** I'm talking about if there is a continued shift necessary to ensure that everybody who lives in a house, whether it's rented or owned, pays on the same basis, then we have to deal with that. Don't you think that's fair? I think that's fair.

**Mr Marchese:** Just saying it sounds fair. Just speaking fairness sounds fair.

**Hon Mr Leach:** Then let's do it.

**Mr Marchese:** If you don't concern yourself with the effects it has on a lot of individuals who are obviously going to be whacked by the changes you're making, yes.

**Hon Mr Leach:** So you would say rather than that, you'll whack the tenants.

**Mr Marchese:** Minister, this is what I argue: I say that if we pay —

**Hon Mr Leach:** What have you got against tenants that you want them to keep paying these high taxes?

**Mr Marchese:** I just see the way you're trying to twist that one, Minister. I like that. It's beautiful, trying to shift that one on me too. You shift this problem to the municipality and then you're trying to shift that problem to me. You caused it and then you say, "What have you got against tenants?" I love that.

**Hon Mr Leach:** I never thought I'd see a member of the New Democratic Party say that he wants to see high taxes remain on apartment buildings.

**Mr Marchese:** On the property taxes, I'll tell you how I would solve that one, all right? I hope our government gets elected for us to demonstrate how that would work.

**Hon Mr Leach:** We'll never know.

**Mr Marchese:** It could be. God exists.

If we have a provincial income tax system, we then would pay for the housing through a provincial income tax system, thereby making it fair for those tenants. If we pay for education and all the other social services out of a



provincial income tax system, then the load for tenants and everybody else, and homeowners, would be reduced. That would shift, through an income tax system, to a much more progressive system where people who have more pay a little more. What do you think of that system?

**Hon Mr Leach:** I don't argue with that philosophy.

**Mr Marchese:** How come you guys didn't consider it instead of downloading?

**Hon Mr Leach:** We are, but we said — and this has been stated publicly by the Treasurer, by the Premier and by myself — that once we get rid of that \$11-billion deficit and once we get our financial house back in order —

**Mr Marchese:** You're going to change the system again.

**Hon Mr Leach:** — then we're going to attack that, as a policy of this government, to get rid of —

**Mr Marchese:** So you'll take back welfare, you'll take back housing, you'll take back child care.

1730

**Hon Mr Leach:** You get income redistribution issues off the property tax. It's a good policy. I agree with that. It's going to take a long time to do that. You can't snap your fingers and change that system overnight, but we have to start working in that direction and we've made the commitment to do that.

**Mr Marchese:** Mr Chair, how much time is there, to get a sense —

**The Chair:** You only have a minute.

**Mr Marchese:** I will continue that tomorrow, then.

**The Chair:** Minister, you now have 30 minutes to respond to I guess the questions or reply to statements which have been made. That's the allotment that exists at the current time.

**Hon Mr Leach:** I could read my opening statement again.

*Interjections.*

**Hon Mr Leach:** I thought I'd have you enthralled.

**Mr Marchese:** Give us something to reflect on.

**Hon Mr Leach:** All parties, the Liberal Party, the New Democratic Party and the Conservative Party, I think have the same goals. We all want to see the lot of the citizens who live in this province be the best we can possibly make it. We just have different ways of getting to the same end.

We think that by encouraging the private sector by creating a climate that generates employment, that creates jobs, by providing incentives that will encourage developers and home builders and apartment builders to get out there and build, that's the way to go about it, that if you just continue to tax individuals and to throw money at it, that is not the way to go. The private sector should be able to do this, and we're looking at making sure we have policies that will encourage them to do it on the housing side.

If you want to talk about the Tenant Protection Act, I think it is finally very fair. It's very fair to landlords and it's very fair to tenants. The problem we had with the legislation that was in previous to this was that it was

restrictive to landlords. There was no incentive for them to maintain their buildings. There was no incentive for them to be fair. Everything was stacked on behalf of the tenants. I know the New Democratic Party supported that. They said: "That's right. We support tenants. To hell with landlords." You can't say, "To hell with landlords," because landlords have an investment and they are there to make a reasonable return on that investment. When they can't do it, then they just let the places fall apart.

You have to have a system that's balanced, that gives somebody an opportunity to say: "I have a building here that I want to rent out and I want to make a fair return on it. If I can make a fair return on that investment, I will keep it spotless, I will keep it neat, I will keep it available to tenants." That's what is going to make the system work, not by saying to a landlord, "Try and make a buck on this and we'll take it off you," because they just won't build and they just won't maintain. That's what has happened in the last 15, 20 years.

You saw that, Mr Marchese, in buildings in your riding and buildings in my riding where the value of those buildings kept falling because nobody in their right mind would buy them. Why would you buy them when you had government policies in effect that just took every dollar you could possibly make away from you? They just deteriorated to a point where some of them, there isn't any doubt, are in a shameful condition.

What we're doing now is providing incentives to landlords to get back in and repair those buildings and bring them up to standard so that people can live in them with some pride, not rat traps that have been allowed to deteriorate because there was no incentive for a landlord to keep them maintained. Give them the incentive to maintain a building and that incentive is a fair return on their investment and they will do it, and people will have a clean, safe place to live. You see them and I see them, and I can see changes in effect already as a result of our legislation.

The Tenant Protection Act, as questions have been raised, I think is something that is very fair.

The ice storm process was another area that was discussed at some length by members of the committee. Liz McLaren, who is the assistant deputy minister, who has been personally responsible for liaising between the local committees and the province on the ice storm, has some information on the claims process, how it's been working, what the outstanding issues are.

**The Chair:** It's quite appropriate to bring forward anyone you would like.

**Hon Mr Leach:** How much time have we got?

**The Chair:** You have until 6 o'clock, essentially.

**Hon Mr Leach:** I'd like to ask Liz McLaren to come forward and provide some details in response to the questions that were raised by the members of the committee.

**The Chair:** I'll just remind members that this clock is off. It's actually, as your watches will probably verify, 5:31 at the present time.

*Interjection.*

**Hon Mr Leach:** I've got 5:35 too.



**The Chair:** Hansard has 5:31. We're using that as the official time.

Could I ask you to introduce yourself.

**Ms Elizabeth McLaren:** Elizabeth McLaren. I'm the assistant deputy minister, office for the greater Toronto area.

Some of the committee members had questions about the claims process, and I'd be happy to fill you in.

We have an independent adjusting firm, Quelmecc Adjusters, which is dealing with the claims. As the minister indicated, the claims deadline was June 15. We have 28,800 claims currently in, and roughly 14,000 of those claims arrived in the last week before the deadline. So we had 14,000 claims leading up from April and we were starting the process of trying to get them entered into the computer and then we got 15,000 in the last week. That was quite a few. We have hired extra adjusters to work on it.

What happens is that when the claims come in, there are several processes. When the claims forms were sent out, people were asked to identify to us if they felt they were in extreme financial hardship. Those claims are separated immediately, as soon as the adjuster sees them. All of the claims have been pre-screened. The ones where people have indicated extreme financial hardship are put in and handled differently. We get adjusters out as quickly as we can. Also, some of the items that people will have claimed for are not actually eligible under the disaster program, but there is another process in place where these people, if their income is less than \$26,000, can be assessed and given additional funds that don't fall under the disaster relief program itself for structural damage to their homes. It helps them, if they've suffered extraordinary losses, to get back on their feet. We are trying to speed those up.

Currently, the number of claims that have been dealt with, as the minister indicated, is in excess of 12,000. The committee is dealing with about 1,100 to 2,700 a week. We have run into some delays. The claims are divided into various categories. If the claims are under \$500, they are just adjusted without even a phone call. If they are between \$500 to \$1,200 there's a telephone adjust. We're finding that the rate of returns on the telephone calls is very light. We've had two major Toronto firms working with that. They try to contact the people but they're not getting information back fast enough.

The bigger claims — and you're right. Mr Lalonde had suggested there were some for \$96,000. In fact, we've had claims that are worth several million dollars. We are trying to get adjusters assigned to the larger claims, which will take some time to adjust. We are putting a special push on the farm claims because we understand the difficulty that the farmers in the area have in keeping their operations going.

I know some concerns have been raised that sometimes someone hasn't seen an adjuster and someone else has seen four or five. We're targeting that by October 15 all claims will be out with adjusters. The problem particularly with the farm claims is that they'll need to have a live-

stock expert; they'll need to have someone who understands barns. They may need to have crop insurance adjusters out. So we do have very specialized people working to go and help assess the claims as best we can.

That's where we are. I'd be happy to answer any other specific questions you might have about the process.

**The Chair:** I guess that's a general invitation. Are there specific claims questions? Mr Lalonde, Mr Gerretsen, anyone? Okay.

We're just apprising the minister should be present for this session.

Mr Gerretsen, go ahead. You've been invited.

**Mr Gerretsen:** Where do people get the idea, the claimants who made their application not at the very last minute but let's say back in February and March, that their particular claims aren't being dealt with as quickly as they may wish?

**Ms McLaren:** I don't know how people would get that impression. We are trying very hard. There is a help line that we have established. Unfortunately sometimes the messages may not be clear. Actually, the Eastern Ontario Disaster Relief Committee is going to take over that help line to try to ensure that people are given accurate information.

It is a problem. There were a few glitches with the computer system, as often happens, but the computer system is now up and running and we can access people's files when someone does call.

**Mr Gerretsen:** Who actually issues the cheques? Are the cheques issued by the committees or by the ministry?

**Ms McLaren:** The cheques are issued by the Eastern Ontario Disaster Relief Committee.

**Mr Gerretsen:** Do they have all the funding in place now? Do they have access to the four-to-one arrangement?

**Ms McLaren:** They have access to any money they need. We flow the money on a monthly basis as they need to pay their cheques.

With the cost-shared funds the problem is, as you can appreciate, with the four-to-one, you have to complete the fundraising and you have to see how much money you've raised. The committee has continued to raise funds. They are just now breaking \$8 million, which raises the provincial commitment to \$32 million for that particular portion.

Just to explain a bit, there is the program that is cost-shared with the federal government, which is for disaster relief and emergency assistance. There is also, then, the Ontario portion of that, which covers people who don't have insurance — churches, non-profit organizations, things like that. So you have to wait until you've been able to access all of your claims and then see how much money is available before you can start paying off on the provincial funds.

Our analysis, however, indicates that the committee has raised sufficient funds, and we hope to be able to flow what we call ODRAP, which is the Ontario disaster relief assistance program. We hope to be able to start flowing those funds. Money has been flowing, however, to claimants who have applied under the other system. It gets kind of confused as to what pot of money, but the long and the

short of it is, money is flowing to people and it isn't a problem that the province has not provided money. The Eastern Ontario Disaster Relief Committee has all the money they need to process their claims and —

**Mr Gerretsen:** Okay, that's now. Did that exist back in May and June?

**Ms McLaren:** Absolutely. As soon as the committee was set up, we pre-flowed \$11 million to them in July so they would have money available to start paying claims as soon as they —

**Mr Gerretsen:** In July. So there was a period of time, then —

**Ms McLaren:** They didn't have any claims that were in and analysed. As soon as we had claims that were in, we had adjusters on board and trained who understood the program and were able to adjust those files. From the moment the contract was signed and that was happening, they had money in their bank account. There is not a problem that they haven't had money.

**Mr Gerretsen:** Why would certain members of some of the local committees say that claims could be handled quicker? I'm not talking about now; I'm talking about in May and June, that time period. Why would they spread the word that people's claims could be dealt with quicker if only the provincial money had started flowing quicker or what have you? Was there a period of time when the money wasn't actually there or available?

**Ms McLaren:** No, there wasn't. But as I said, the Ontario portion of the disaster relief program is based on fundraising, and once the fundraising is completed and you know what the claims are, then you start to flow the money. But there is money there. The local committees have not been as involved in the claims processing and the payment, so there may have been some confusion, but the money is there, the money is available, and as they need it, they get it.

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**Mr Cleary:** You say that you have Toronto firms, adjusters, on the payroll?

**Ms McLaren:** Given the magnitude of the ice storm, coupled with the fact that private insurance companies were having to settle their claims first, what we did was, the insurance company that is managing the process for us has hired local adjusters from the ice storm area. In fact, every adjuster in that area is now fully and completely employed, and they can't even handle that. So we are now having to bring people in from outside the area. But our first emphasis, and our first emphasis from the adjusting firm, was to ensure that the contracts went to local people. Only when they were not able to fill that need have we moved beyond the ice storm area to hire adjusters.

However, the firms that do the telephone adjusting claims, that sort of work, which are claims from \$500 to \$1,200, are located in Toronto. So, yes, they are doing the work, but our first emphasis was to get the local adjusters, and as I said, all of the adjusters in eastern Ontario are very busy adjusting 30,000 claims. This is a massive number of claims.

**Mr Cleary:** I know I've been questioned on that in possibly the last three weeks, why a Toronto adjuster was calling back to eastern Ontario when we had our own adjusters in the area, and I didn't have the answer.

**Ms McLaren:** The answer is that we're using the local adjusters to adjust the larger claims, and the telephone adjusters are actually looking at the much smaller claims that are easier to adjust and don't need a visit. So if there is a site visit required, it is local adjusters from the disaster area who will be doing the visiting.

**Mr Cleary:** I know the minister said that no one on the disaster relief committee was getting any compensation.

**Ms McLaren:** That's right.

**Mr Cleary:** I figured it was that way, but you get questions in your constituency office about that. Now I have it in Hansard, and that's a good point.

**Ms McLaren:** There are staff. They do have staff who work for them, but the members of the actual disaster relief committees, all eight of them, and then the umbrella committee are all volunteers, despite the fact that under the federal cost-shared program they could have accepted salaries. It was their choice that they had volunteered and had asked to do this and they are not accepting any payment. The folks who are on the Eastern Ontario Disaster Relief Committee are still putting in one day a week at the committee in their local areas and participating in fundraising. We expect that we may need them for many more months, possibly into the new year, before all of the files are completely finished.

**Mr Cleary:** There are a lot of good people on those committees and they've been working almost around the clock initially on this.

**Ms McLaren:** There are.

**Mr Lalonde:** Are there two different programs, one for the farming community and another one for the residential areass?

**Ms McLaren:** Basically there is one program, but under the federal guidelines, part-time farmers and part-time business — to be qualified as a farmer under the federal rules, you have to receive 51% of your income from farming. Of course, in this day and age where so many farms are a family business or you have a husband and wife working to support the farm and to support the family, you can't always get 51%. So there is a special side agreement with the federal government to make sure that anyone who is a farmer, who has in Ontario the farm registration number, will be covered and will get the same coverage as a full-time farmer. But basically it's the same program and it's the same eligibility: It has to be emergency repairs and then it has to be repairs to essential dwellings or essential things, the basics of —

**Mr Lalonde:** I've been to two different dairy farmers' committee meetings and they have been told to put in every hour that the farmer is spending to clean up the yard, anything that was caused by the ice storm, and they would get a minimum salary for every single hour they are doing this. This has been repeated on two occasions, once when I was there by the Ministry of Agriculture, and I was



wondering if there was a program under the Ministry of Agriculture that differs from yours.

**Ms McLaren:** No, it's the same program. Farmers or individuals or businesses are allowed to clean up their properties for safety and access. On a farm, of course, often you have children who also help and work on the farm, and it isn't fair that you would have to go and hire your neighbour's child and not be able to pay your own. So there are limits on what you can pay, there are some limits on the amount of cleanup, but yes, they are allowed to clean up, because if they can't clean up their farms and along their hedgerows, then it's a danger and it detracts from their livelihood. So the farmers are allowed to do that.

**Mr Lalonde:** I can see the problem you will be facing there, because they were told to report every single hour they are doing this, and you can expect large invoices in this case.

**Hon Mr Leach:** That's absolutely correct. We told everyone, not just the farm community but every individual, to keep track of every expense they had, because at that time, at the beginning, there weren't criteria as to what would be eligible and what wouldn't be eligible. We said: "Make sure you get your fair compensation from whatever claims you may have. Keep track of everything. Don't just come back in a couple of months and say, 'Oh, I think I spent something on some cleanup time or something.' Keep records." That was the goal behind that.

**Ms McLaren:** When the committee was first set up, as the minister said, they got to look at their guidelines and decide what should be eligible and what shouldn't be eligible. This was something new. The magnitude of this storm and the impacts of the storm were of course unknown to any of us. We had dealt with disasters, but nothing of this magnitude.

As the committee has worked through the summer and as we have dealt now with 12,000 claims, we're starting to see claims for things that we had put limits on before. But now we realize that, for instance, for the cleanup and also the fencing around farms, there are heavy claims for that. The committee is going back and looking at it, because the disaster was such that what you lost were trees, and it is a hazard and it's costing more than we thought to clean it up.

All of the claims and all of the line items on the claims are individually answered on the computer, so that if a decision is made, we can go back and reaccess those claims. Some people will have received partial payment and will, as the months go on, receive additional payments as we get a better sense of what the claims are for and where the needs are and how to best help with those.

**Mr Lalonde:** When you say the government will pay four to one, will the percentage of the four-to-one include the cost of administration and the adjuster, let's say \$100 million —

**Ms McLaren:** No.

**Mr Lalonde:** This is not counted in the four-to-one?

**Ms McLaren:** That's correct. The costs of administration and the cost of the adjuster are borne by the province

in the first sense and will eventually be cost-shared with the federal government, but those are costs that we are paying currently.

**Mr Cleary:** I think you said the Ontario farm registration number?

**Ms McLaren:** Yes.

**Mr Cleary:** If those farms are rented by a farmer who has the registration number, is he eligible to clean up those properties?

**Ms McLaren:** I should, with an agricultural background, have thought of that. I don't know. Generally, the only part that you can clean up is areas that you yourself own, but if a farmer was renting that area and it was necessary to his farm livelihood — I will check into that, but that certainly is something that should be eligible, because that's important for his livelihood. He needs those fields.

**Mr Cleary:** I've been asked that several times in my constituency office.

**Ms McLaren:** That's an excellent question. I must admit I hadn't even thought of that. We'll look into that and make sure.

**Mr Cleary:** Because there's a fire hazard there too, you know.

**Ms McLaren:** Absolutely. I might also add that there has been a side agreement for businesses and farmers with the federal government to expand the eligibility, and one of the things we have realized over the last couple of months is that the small woodlot operators sort of fell between those two side agreements. They didn't fit neatly under agriculture or under small business. So on Saturday a new program was announced to ensure that the woodlot operators will be compensated so they can have assessments done on their woodlots to see just what needs to be done and then, if the assessment shows that the damage is significant enough, they'll get some compensation to help clean up and to bring that wood to market. The main concern is that if we don't clean out these woodlots, there may be insect infestations and in fact that Ontario wood may be quarantined, so we're trying to avoid that.

**Mr Cleary:** You can't believe what some of the woodlots look like.

**Mr Wettlaufer:** Ms McLaren, I think the ministry needs to be complimented on the job it has done with the ice storm. I know from the questions being asked that the members of the opposition fail to grasp — and this isn't meant as a criticism. It's human nature, I think, to fail to grasp the magnitude of this problem.

Twenty years ago I was an executive with an insurance company when a tornado ripped through southwestern Ontario. I was still an executive at that same company when we had a huge hailstorm loss in Calgary and Edmonton, Alberta. We're talking numbers of claims which are small in relation to the 28,000 to 30,000 that we're talking here, and it took many, many months to settle all those claims. We had adjuster forces brought in from all over the country to deal with those claims. I don't think people realize the complexity of settling claims like this and the sheer magnitude of 28,000 to 30,000 claims.



It boggles the mind. I think the ministry has done a fantastic job.

**Hon Mr Leach:** I think the unique situation that we found ourselves in at this particular disaster is that it was something that had not been experienced in North America before, an ice storm of this magnitude. So a number of the claims were not like flooding claims or like an earthquake or a tornado. They were unique, new, different. Even the adjusters in the insurance industry had a great deal of difficulty getting their collective minds around how to deal with many of the claims, because we'd just never seen them before.

I appreciate your comment. Much of that goes to the staff at the ministry, but it also goes to the private sector as well, the insurance industry, and the federal government. The federal government was out there in the field making sure that claims were dealt with as quickly as they possibly could be. But it was a unique experience, hopefully never to be experienced again.

**The Chair:** Further comments, Minister?

**Hon Mr Leach:** Thank you, Mr Chair. I think we've covered many of the issues that the ministry has dealt with over the past year. I know we have a number of hours yet remaining in which we look forward to providing the committee with responses to their questions.

There are a number of areas that we didn't deal with this afternoon with respect to questions from the committee: the amalgamation of the city of Toronto, for example, or amalgamations that took place throughout Ontario this year. I mentioned briefly in my opening comments that we've gone from 815 municipalities to 596. The vast majority of those amalgamations took place on a voluntary basis, with the municipalities recognizing themselves that

there were benefits in getting rid of the waste and duplication that existed. Many in eastern Ontario — Prince Edward county is a great example, I think, where they went from 21 municipalities to one. Chatham-Kent is another area, where they went from 11 municipalities to one and are showing substantial savings in their operations. I'm told that they flatlined their tax increases this year to zero and that next year they could be looking at a 5% tax decrease as a result of operating more efficiently. So I look forward to being able to provide additional information to the members of the committee on many of those aspects of our responsibility in the coming days.

I understand that we have tomorrow and —

**The Chair:** We have a total of six hours for the ministry. We started today, and we'll have accomplished not quite two hours' worth of those six hours.

**Hon Mr Leach:** We look forward to it with bated breath.

**Mr Gerretsen:** What time do we start tomorrow, 3:30?

**The Chair:** Yes. Minister, I'll ask on behalf of the committee, are you aware of any problems in your schedule for tomorrow?

**Hon Mr Leach:** No.

**The Chair:** Our start time is normally 3:30. We were 36 minutes late today.

**Hon Mr Leach:** My apology to the committee and to you, Mr Chair, for being late today. It was a commitment that I could not get out of. I will be here earlier tomorrow.

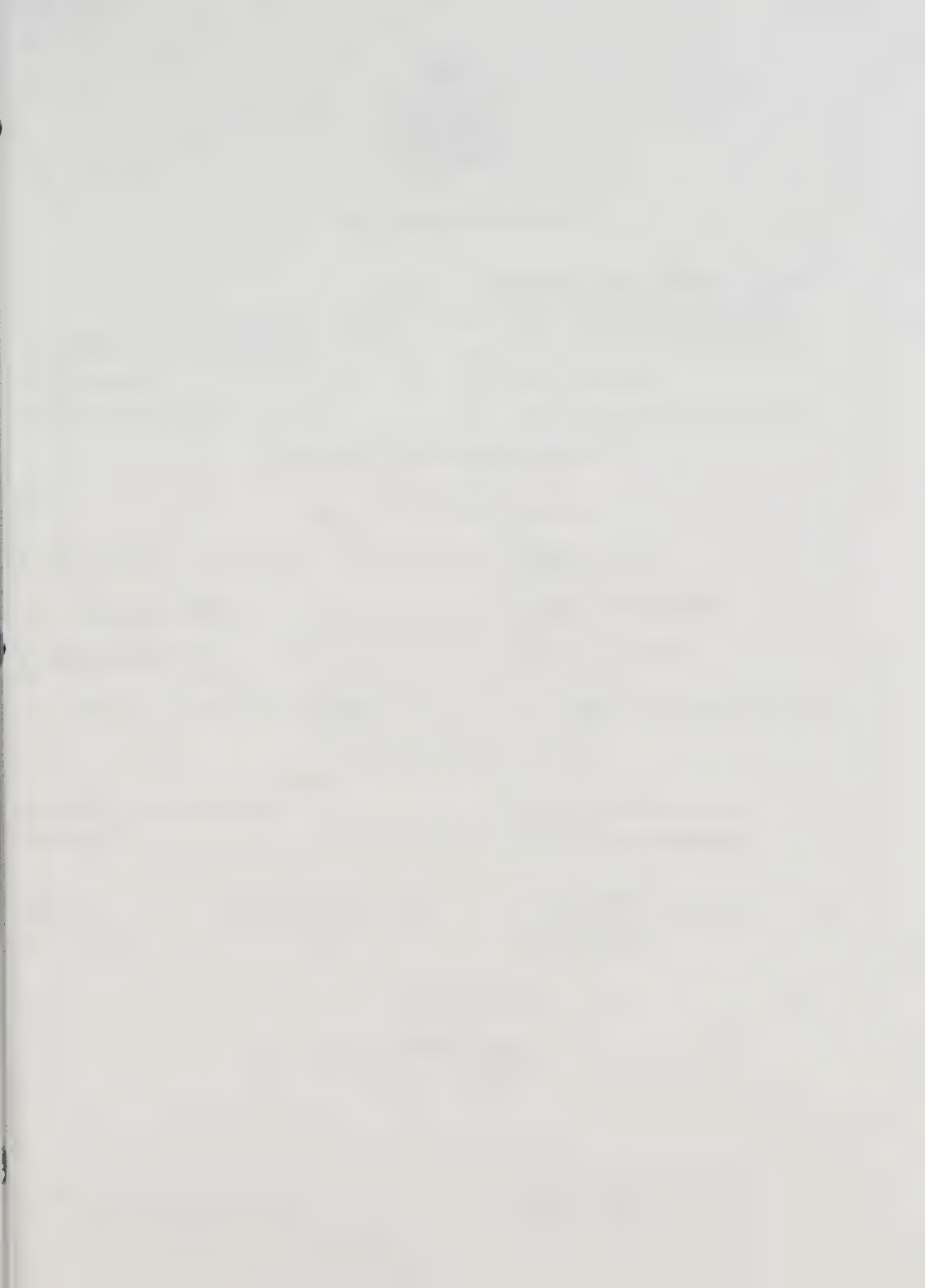
**The Chair:** We appreciate that undertaking, Minister. We will adjourn and recommence at 3:30 tomorrow. Thank you all.

*The committee adjourned at 1755.*









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(Hansard)**

**Wednesday 30 September 1998**

**Journal  
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(Hansard)**

**Mercredi 30 septembre 1998**

**Standing committee on  
estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
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## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 30 September 1998

Mercredi 30 septembre 1998

*The committee met at 1534 in committee room 2.*MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**The Chair (Mr Gerard Kennedy):** In respect of the time delay we had yesterday, we're going to start. I apologize in advance to Mr Marchese. We normally would start with a member of each party present, and I understand he's to join us imminently. We understand he'll be here in time to utilize the third party's time for questions.

Today we commence with the question-scrutiny part of the estimates. We'll begin with the official opposition. You have 20 minutes.

**Mr John Gerretsen (Kingston and The Islands):** Minister, yesterday you indicated that the province was not going to build any more social housing itself or get involved in any other social housing programs. Is that correct?

**Hon Al Leach (Minister of Municipal Affairs and Housing):** We have no plans to construct any additional bricks and mortar.

**Mr Gerretsen:** You said you are a fervent believer in the rent supplement program, that basically the units ought to be privately constructed and then subsidies, if any, were to be paid to landlords on a rent supplement program. You really believe in that program, do you?

**Hon Al Leach:** I think it's an appropriate way to provide assistance for those who need assistance. It gives them the flexibility to go from location to location without having to be on a waiting list. They can find accommodation that suits their purpose and pay for it with a rent supplement.

**Mr Gerretsen:** So that's the way to go. The reason I'm asking is that I notice on page 195 of the estimates that the number of units you intend to subsidize this year by way of rent supplement is actually declining by about 300 units. If it's a program you believe in, why wouldn't you increase that? If you expect the private sector to start building apartments again because of all the new laws you've put into effect — that's what you stated yesterday. You said you've put the new climate into effect and that residential multi-family units would now be constructed privately, yet some people do need some housing assistance etc. Why wouldn't you put more money into the rent supplement program? The number of units that you are

subsidizing is less than last year by about 300. How do you justify that?

**Hon Mr Leach:** That's a very good question. As I said, I believe that's the way to go. We're working on a policy that's going to, in the not-too-distant future, introduce a new rent supplement program. The one that was in place we found some difficulties with. We didn't think the manner in which it was working was appropriate. We believe there's a better way to do it. If you want the details on page 195, on the numbers and so forth —

**Mr Gerretsen:** But that's exactly what I'm looking at.

**Hon Mr Leach:** — we have the ADM responsible for that program here with us, and I would ask him to respond to the question.

**Mr Gerretsen:** No, I'm asking you. You're the person who said yesterday that you believe the way we should deal with social housing issues is through rent supplement programs, that you're a believer in that. I don't understand how, now that all these units are going to be built through the private sector — you said yesterday that was going to happen because you put the right economic climate out there etc. Why aren't you subsidizing or allowing for more subsidized rent supplement units in your estimates?

**Hon Mr Leach:** I think I just responded to that, but I'll repeat myself. Yes, I do agree that's the appropriate program to have. We have a problem with the way the existing program operates. We're developing a new policy on rent supplements that we're working on. If you want the information on the exact numbers and where we've gone from last year to this year in terms of the numbers, Mr Chiesa can respond to that for you.

**Mr Gerretsen:** These numbers haven't changed much over the last five to 10 years, have they? They've always been around 20,000 units in rent supplement. Isn't that right, Mr Chiesa?

**Mr Dino Chiesa:** Yes, that's correct. They've been around 20,000 or 21,000.

**Mr Gerretsen:** In fact, no new rent supplement units have come on the market at all since this government took over.

**Mr Chiesa:** No new rent supplement units have come on the market, but there was a continuation of the program.

**The Chair:** Excuse me, sir. Could I ask you and each of the speakers who may come forward from the ministry, for the purposes of Hansard, to please introduce yourself as a preface to your remarks.

**Mr Chiesa:** I'm Dino Chiesa, the assistant deputy minister, housing operations.

**Mr Gerretsen:** I must say that the minister can be extremely proud of the fact that he has such excellent staff at the Ministry of Municipal Affairs and Housing surrounding him. I have to congratulate you on that, Minister. I happen to know a few of these people, having worked with them in the past, and they're top-notch people. You should be extremely proud of them. Certainly any comments I make are not directed to them at all. They're doing a great job within the guidelines they're being given.

Could you tell me, Minister, since you want to get out of the public housing side of things — you're basically downloading the OHC units to the local municipalities, of which there are about 84,000 now, I guess. Is that a program that costs more money to operate than the rent supplement program? Do you know offhand? Is it more expensive or less expensive?

**Hon Mr Leach:** To operate 84,000 non-profit —

**Mr Gerretsen:** No, the 84,000 units you've got within the Ontario Housing Corp umbrella: Is it more expensive or less expensive to totally finance that package on an annual basis, as opposed to the rent supplement to units? Would you happen to know that offhand?

1540

**Mr Chiesa:** I can answer that question. The most expensive program is the not-for-profit co-op part of it, on a per-unit basis; the second-most-expensive is the rent supplement program; the cheapest is the Ontario Housing public housing. That's not taking into account the cost of money. If you take into account the cost of money, forgone revenue, as a normal commercial practice would allow you, then the cheapest program is the rent supplement program, the second-cheapest is the public housing, and the most expensive is the non-profit co-op program.

**Mr Gerretsen:** The reason for that is that the public housing has been around for — well, I guess the last units were built in the early 1980s.

**Mr Chiesa:** The late 1970s.

**Mr Gerretsen:** Yes, so a lot of that stock, from my memory of it, is very old, yet the amount of money you allow for capital expenditures to upgrade these buildings is a lot less now than it used to be, isn't it, Minister?

**Hon Mr Leach:** In the past couple of years we've put out in excess of \$500 million in capital repairs in housing, which is substantially more than had been put in in the previous five years.

**Mr Gerretsen:** Over \$500 million?

**Hon Mr Leach:** In the last five years.

**Mr Gerretsen:** So that would be an average of about \$100 million a year. Would it be fair to say that is still much less than the projections the Ontario Housing Corp felt you needed to spend on upgrading the buildings?

**Mr Chiesa:** I can answer. I'm also the CEO of the Ontario Housing Corp, and very proud of the condition of the stock. In I think it was the previous budget, the government announced an additional \$42-million top-up to capital expenditures for public housing, which was

expended last year. This year we've got a base budget of about \$100 million a year; you're correct.

To determine the adequacy of that money, we had an independent assessment done of about 10% of our stock. We did a representative sample across each one of the 54 housing authorities across the province, took each building type — high-rise, low-rise, seniors', family — and did a complete technical audit of those buildings. Rather than hire one company, because one company could be wrong, we hired eight individual companies to do those different technical studies and the representative sample of the stock. We then hired another independent quantity surveying firm to analyze the results of those studies and compare it to our own capital needs assessments, to see if we in fact had enough money budgeted for it.

The results of that study were that our buildings are in very good condition and that we probably only need about \$80 million a year to satisfy the capital requirements of those buildings over a period of time. We have about \$100 million budgeted for it. The reason our budget was a little bit higher was that we felt they were not as familiar with our buildings as we were, having had a transactional history over the last 30 or 40 years, but certainly the independent assessments showed that the amount of capital being put into the buildings at the \$100-million base level is more than adequate.

What we had budgeted for the previous year originally was \$60 million, before the top-up, and you would have been correct: In the OHC's assessment, that would not have been an adequate number to maintain the stock. But since it was topped up and in the base budget now is \$100 million, we feel there is adequate —

**Mr Gerretsen:** Show me where those numbers are. I'm looking at page 161 and it says that in 1996-97 actual in capital you expended \$38 million, and \$72 million the following year, and you anticipate spending \$48 million the coming year.

**Mr Chiesa:** That's the provincial portion. They're cost-shared dollars. I don't want to mislead you, because it's not misleading, but this is the provincial portion. The federal government subsidizes about 51% or 52%.

**Mr Gerretsen:** You've been getting that money annually from the feds.

**Mr Chiesa:** We've been getting that money annually from the feds, correct. You pretty much take this number and double it, with the exception of 1997-98, because there were some unilateral provincial monies in there.

**Mr Gerretsen:** That's the \$42 million that was in there. The \$42 million comes off the \$72 million?

**Mr Chiesa:** What page are you on?

**Mr Gerretsen:** On page 160, at the bottom. It says, "Decrease: reduction in one-time funding, \$42 million."

**Mr Chiesa:** Right. The confusion becomes one of provincial dollars versus federal and provincial dollars.

**Mr John C. Cleary (Cornwall):** I want to talk a little bit about housing again. It's an issue in eastern Ontario, mainly in Cornwall, where Menard Structures, Claude and Gaetan Menard, have brought to my attention again this affordable project. As you well recall, it was coordinated



with partners from the federal, provincial and municipal governments and the private sector. On February 20, at the SRT committee meeting, local representatives urged your ministry officials to recognize and honour the original commitment as a partner in this affordable housing project and to recommit to invest the \$2 million. Since this meeting, Menard Structures Ltd has not been contacted by your ministry. The Menards want to get this solved immediately if they can. It has gone on far too long. My question to you is, would you agree to meet and fulfill your government's role with the original partners in this proposed formal project?

**Hon Mr Leach:** I have to tell you, Mr Cleary, I'm not familiar with that particular project personally, but I will look into it and get back to you before —

**Mr Cleary:** I spoke to you in the House about that last winter. You had agreed to meet with the Menards, and then you backed off and you would not meet —

**Mr Gerretsen:** Oh, shame.

**Mr Cleary:** It's as true as I'm sitting here.

**Hon Mr Leach:** I have no doubt that it is, sir. I just don't have any immediate recollection of that conversation or that issue. I have no doubt that what you're saying is correct with respect to bringing it forward. As I said, I'll look into it and I'll have a response to you before the estimates process is over.

**Mr Cleary:** They would be glad to meet with you at any time.

**Hon Mr Leach:** As I said, I'll have a response to your question before the estimates are over.

**Mr Cleary:** Then I would like to talk a little bit about the united counties of Stormont, Dundas and Glengarry. They said that the amount you allotted them under the community investment fund has a deficiency of \$45 million. The counties also say that none of the amount allocated to the provincial offences net revenue has been received. Word has been received that the payment may occur in 1998, leaving the counties with a deficiency of \$720,000. The counties appear to have a deficiency of almost \$1.5 million in the farm tax rebate. In order to address the concern, the counties have asked that your ministry officials meet with them as soon as possible. The question is, when will you agree to meet with the county officials to come to a satisfactory resolution for the constituents of our riding?

**Hon Mr Leach:** Again it's a very local issue. I will commit to you right now to have the eastern Ontario regional staff meet with the county as quickly as possible within the very near future to go over their allotments with them and make sure everybody understands what the process is about. I can't give you a date right at this moment, but I will bring it to their attention and make sure it happens within the next few days.

1550

**Mr Cleary:** On September 15 you wrote a letter to Mayor Sylvester requesting that you also adjust the date from July 15 to October 31 as a final date whereby landlords may serve notice to tenants. Mayor Sylvester notes that this date will coincide with the final date for assess-

ment consideration. His question to me, "Minister, will you act on this matter and adjust the notice date that landlords serve to tenants to October 31?"

**Hon Mr Leach:** I hate to do this, but I'm going to have to get you to repeat that, because I didn't understand that at all.

**Mr Cleary:** OK, I'll read it the way it's written to me. In his September 15 letter to you, Mayor Sylvester requested —

**Hon Mr Leach:** Where is Mayor Sylvester from?

**Mr Cleary:** He's the mayor of the city of Cornwall.

**Mr Gerretsen:** You should know that, surely.

*Interjections.*

**The Chair:** Order. We understand there are now fewer municipalities, so perhaps it will be easier for the minister next year.

**Mr Wayne Wettlaufer (Kitchener):** On a point of order, Mr Chair: As Chair, you must refrain from making comments like that.

**The Chair:** Mr Wettlaufer, I don't think that's an appropriate challenge to the Chair. Mr Cleary, please continue.

**Mr Cleary:** OK, I'll start over again. In a September 15 letter to you, Mayor Sylvester from Cornwall requested that you also adjust the date of July 15 to October 31, 1998, as the final date whereby landlords may serve notice on tenants. Mayor Sylvester notes that the new date will coincide with the final date for assessment consideration. He says to me, "Minister, will you act on this matter and adjust the notice date that landlords serve to tenants to October 31?"

**Hon Mr Leach:** If I understand the question properly, I believe the Minister of Finance dealt with that question and made an announcement at the recent AMO conference, where he said he would extend that date. It's my understanding that he intends to introduce legislation shortly to do just that. So I think you can respond to the mayor of Cornwall that his request will be dealt with appropriately.

**Mr Cleary:** How much time do we have?

**The Chair:** You have approximately three minutes.

**Mr Cleary:** Another issue that I've been questioned on: The united counties of Stormont, Dundas and Glengarry say that your local government and local services realignment includes the transfer of police services, which is estimated at \$6.5 million in 1998. Your allocation to the community reinvestment fund for policing is only \$4.364 million. Despite repeated promises that the transfer of provincial responsibilities to municipalities would be revenue-neutral, county council states that the transfer of police services alone will result in a \$2.136-million shortfall and may lead to a 14.5% increase. This resolution has been endorsed by a number of townships in my area, including Stormont, Dundas and Glengarry. The question is: Will you provide sufficient funds for the shortfall?

**Hon Mr Leach:** I think the member understands that policing costs were never included in the Who Does What trade-off of costs. The policing costs that were assigned to

various municipalities were to bring some fairness back into the system. As you may be aware, about half the municipalities in Ontario were paying their own policing costs, while other municipalities were getting free policing from the Ontario Provincial Police. This government has moved to bring fairness back into the system and has indicated that all municipalities must pay their fair share.

It should not be considered as part of the Who Does What trade-off of the delivery of services, which was revenue-neutral; it's a separate issue. If that municipality wasn't paying for policing in the past, it's going to have to pay for policing in the future, so that all municipalities in Ontario are dealt with on an equal basis.

**Mr Cleary:** The other thing I would like to ask, because there are a number of housing projects that have been sponsored by the provincial government over the years —

**Hon Mr Leach:** I'm sorry, highway projects, did you say?

**Mr Cleary:** — housing projects, and it's my understanding that they're going to be transferred back to the local municipalities.

**Hon Mr Leach:** That's correct.

**Mr Cleary:** Some of them may need considerable repairs. Are there going to be any extra funds to bring them up to today's standards and upgrade them before they're handed back or will that be a municipal responsibility?

**Hon Mr Leach:** The reserve fund for the repairs to housing stock was reinstated last year. It had been taken away by the previous government, and we reinstated it to ensure that there would be capital funds available to do whatever repairs are necessary to housing. That money will be available when the housing is transferred to the municipalities, or at least the administration is transferred to the municipalities.

As you know, the funding aspect of social housing is now the responsibility of the municipalities. We are presently working with the federal government and the municipalities to devolve the administrative aspects, and we expect that will happen over the next year or two.

**Mr Gerretsen:** But there's no replacement fund for the public housing units, right?

**The Chair:** Mr Gerretsen, actually the time has expired for this round of questions. We'll come back to that in your next turn around. Mr Marchese, for the third party.

**Mr Rosario Marchese (Fort York):** It's good to see you again, Minister. First of all, I just wanted to thank James Dyl for giving me all this information with respect to the question I had asked yesterday. If I have some time, I want to touch on some questions with respect to it.

**Hon Mr Leach:** It's the same information in each package; it's just in different languages.

**Mr Marchese:** I hope I don't disappoint your staff, who are here obviously waiting for the critics to ask tough questions on the estimates, but I feel I have some pressing matters to raise again on the issue of homelessness, so it's you and me again.

I wanted to say that when I was a minister, we would keep an eye on all articles that appeared every day in all the various mediums that are there. When we would get articles, as we did today, an article written by Anne Golden, *Breaking the Cycle of Homelessness* — it's a big article — I would get worried. I would have worried if I were a minister about the effect such an article would have on the public. She wrote another article yesterday, or at least an article was written about what she has written, which I hadn't seen. I saw it today and clipped it. Have you had an opportunity to read these articles?

**Hon Mr Leach:** Yes.

**Mr Marchese:** What is your response to those articles as you read them?

**Hon Mr Leach:** If one person is homeless in our society, it's one too many. But homelessness has been an issue that has been with society as long as it has existed. That doesn't make it acceptable.

Anne Golden, whom I know very well, a very capable person, has done an excellent report, bringing to the attention of all levels of government the issues that face us with respect to homelessness. As she points out, there are many different aspects of homelessness. Much of it relates to mental illness, which is an issue that we have to get a handle on. As you may be aware, our government has assumed the responsibility for housing —

**Mr Marchese:** Supportive housing?

**Hon Mr Leach:** — supportive housing back from the municipalities this year to make sure we can deal with that issue, particularly in the major urban centres such as Toronto, Ottawa, London, Windsor etc, but particularly here in Toronto, where you have so many unfortunate individuals who not only require housing but require the supportive help that goes with it.

**1600**

We will be working with Anne Golden and with the Ministry of Social Services. Jack Carroll, as you may know, on behalf of the Minister of Social Services, has also conducted a report on the effects of homelessness province-wide. We also are working with the federal government as part of the devolution of housing down to the province and subsequently to the municipalities to ensure that the federal government stays involved in this issue as well.

There's a big job to be done. I don't think anyone would expect that the needs facing us with respect to homelessness are going to be dealt with overnight. There are going to have to be long-term programs and long-term arrangements to deal with the various aspects of homelessness.

**Mr Marchese:** That's why I asked the question.

**Hon Mr Leach:** One of the most serious ones affects those in our community who suffer from mental illness, who I understand make up the majority of people who are what they call the true homeless on the street.

**Mr Marchese:** She touches on that as well. There's no doubt about that. But she says, "As we delved into the causes of homelessness, poverty quickly emerged as a dominant theme..." and she touches on several things.



"For the first time this century, poverty in Ontario...is increasing while the economy as a whole is prospering." She's not the only one saying that; a lot of people are saying that. She also says, "The poor are getting poorer...." She says, "For single female parents in Canada, the poverty rate was 83%, and Toronto has a 45% higher prevalence" of single mothers.

"These poverty trends coincide with the withdrawal by all levels of government from affordable and subsidized housing programs, a steady decrease in the supply of rooming houses, and a 21.6% decrease in the amount of social assistance..." and she says, of course, that poverty alone is not the only problem here; there are many other factors. We know that. But she does say that we have other systemic problems which include a housing market that does not provide an adequate supply of affordable housing, a changing job market that leaves people unemployed or in jobs that pay poorly and a weakening social safety net.

We're discussing this is a critical analysis of the problem, done on the basis of research, not politics. That's why I raise it with you, to see what your response would be. Then she says: "The affordability question must be addressed head-on. Toronto needs at least 2,000 more affordable housing units each year just to keep pace with the annual increase in demand, and far more if we want to make even a dent in the waiting list. Such an objective can be met by a mix of new construction, the protection and/or rehabilitation of existing housing, and by conversions. The private sector alone cannot and will not increase the number of low-rent units because it is simply not profitable for them to do so. Some poor tenants will require subsidies, such as adequate shelter allowances." Then she goes on to other details, which we can touch on, but I'd like your feedback, not on the analysis around poverty, because I'm not sure whether you will respond to that, but on her point about the need for 2,000 more affordable housing units each year to keep pace, and that doesn't even deal with the waiting list.

**Hon Mr Leach:** Her report is very interesting. This goes back to what we talked about somewhat yesterday. Her article says that the poor are getting poorer and the average income in Toronto fell by 12.5% between 1990 and 1995, which is the time frame on which the majority of her statistics are based. If you look in the second-last paragraph in the first column, it indicates that her statistics are based on a time frame for early 1990.

Our government was aware of that, and that's why we've taken steps to try to encourage the private sector to get back into the building of affordable housing. Throwing money at the problem has not solved this. If throwing money at it would solve it, it would have been solved in the early 1990s, because we threw hundreds of millions of dollars at it. All it did was create a \$11-billion deficit and didn't solve the problem.

We believe that the role of the government is to foster an environment where new housing is created by the private sector. We're trying to remove all the barriers that exist in front of the private sector to do that. We've

reformed the Tenant Protection Act; we've restored fairness to the property tax system; we've put limits on development charges; we've streamlined the planning and approvals process, all of these with the intention of getting rid of the barriers and the red tape that restrict the private sector from getting in and building affordable housing.

Anne Golden is absolutely right in her article that the private sector will not do it at this point in time because they're in the business of making a dollar, as everybody in the private sector is. But if we remove all of those barriers and we make it possible for them to get fair and reasonable return on their investment, we're confident they will do that.

**Mr Marchese:** OK. We're getting back to the same discussion we had yesterday.

You cite figures which she touches on that I can't find, the paragraph where she also speaks to the present time.

**Hon Mr Leach:** It's second from the bottom in the first column. I've got a clipping here. It might not be in the same order, I presume.

**Mr Marchese:** I read you statistics yesterday where I said that in Toronto a staggering 37,000 households are now on the waiting list for rent geared to income, nearly double the 1995 number. Maybe you don't want to respond to that. The point is that the numbers have doubled since 1995, which you must surely take some credit for or assume some responsibility for.

**Hon Mr Leach:** I don't think anyone would want to take credit for that.

**Mr Marchese:** What about assuming some responsibility for that?

**Hon Mr Leach:** I don't see that statistic.

**Mr Marchese:** I know. It's not there. It's a statistic I gave you yesterday, which we can get to you, if that's the issue, if you want to see that. I also said to you that in the region of Niagara the local housing authority reports an increase from 921 families in 1996 to 1,709 in 1998, an increase of 86%. That's during your time. I don't say that I want to blame you so much as to say that we've got a problem, there is a need.

**Hon Mr Leach:** I agree. I agree wholeheartedly with you that the situation that's facing the province and has faced the province for years —

**Mr Marchese:** But, Al, I'm saying —

**Hon Mr Leach:** I agree with you that probably the trends are growing, that the rich are getting richer and the poor, in comparison, are probably less fortunate than we would like them to be.

**Mr Marchese:** Right. So, what do we do? Your answer to me is: "We're doing our best. What we had wasn't working. We introduced property tax reform. We introduced development charges that are less than they were by a small amount." You couldn't reduce them any lower because there were problems. You introduced rent control. You're saying, "We're doing all these things," and in spite of it, based on your policies, we're not moving this agenda.

**Hon Mr Leach:** But you have to keep in mind that in the first two years of our agenda we came in and were



faced with all of these impediments to getting the private sector back into the building business. We met with them on a number of occasions, the major apartment builders and developers from across the province, and they indicated to us: "Here are the reasons why the industry will not build. Here are the reasons why the industry has not built for the last decade. Here are the reasons why there has been no new rental stock brought on the market. We're not going to do it, because it costs us money to do it." So we said, "OK, what are those reasons?" They listed them for us.

**Mr Marchese:** I know. I read the report. You will recall that in the rent control meetings I raised each and every one of them, because it's in the report that you had written.

**Hon Mr Leach:** We've addressed each one of their problems. The problems that they indicated to us were the impediments to building new housing are being addressed.

**Mr Marchese:** Right, and in that report by that —

**Hon Mr Leach:** You're not going to snap your fingers and say: "We addressed that. How come there aren't another 3,000 housing units out there tomorrow morning?"

1610

**Mr Marchese:** You've done your part. Now we've got to wait for the federal government to do their part —

**Hon Mr Leach:** In part.

**Mr Marchese:** — because that report speaks to what the federal government —

**Hon Mr Leach:** Yes.

**Mr Marchese:** If the federal government doesn't give away the store as well to be able to get these folks to build, what do we do in the meantime? Anne Golden says we need 2,000 units a year to keep up, not addressing the waiting list. What do we do in the meantime? Do we simply say, "We've done our part; now we've got to wait for the federal Liberals"?

**Hon Mr Leach:** There isn't any doubt — I agree with you on this issue — that we have a housing situation with respect to the homeless and many others in our society that needs to be addressed. We recognize that. That's why we, in conjunction with the city of Toronto and Anne Golden's report, did our report on the balance of the province and all the major communities right around Ontario. Our findings indicate exactly the same thing: that there is a job there that needs to be done.

My understanding is that Jack Carroll's report from the Ministry of Community and Social Services is expected out within days. I think the draft may already be out. We're expecting our report in the Ministry of Municipal Affairs and Housing from the social housing committee. It's due on October 15. We have the Anne Golden report, an interim report. The final report is due out, again, in early October. They will have recommendations and proposed solutions to that. I can tell you at this time that we will take all those recommendations, all the proposals into consideration and build a program to deal with the issues.

**Mr Marchese:** We'll wait to see how you respond to that. In the meantime, let me ask you another question.

You're waiting for the feds to download to you folks so you can download to the other folks down below. When those agreements end that we have as a province with the federal government, the share they pay, which is half for most projects, there's no more money coming from the feds.

**Hon Mr Leach:** That is yet to be determined.

**Mr Marchese:** That's a fact, unless you can negotiate something with the feds that says, "The agreements are over but we need money."

**Hon Mr Leach:** That's what negotiations are all about.

**Mr Marchese:** God bless. OK.

**Hon Mr Leach:** They have indicated to us that they want to devolve down to the province the responsibility for social housing and we said fine.

**Mr Marchese:** They're not moving, though.

**Hon Mr Leach:** Let's talk about the conditions under which that would happen. One of those conditions I'm sure is going to have some financial ramifications to it. We're in the process of negotiating that with the federal government, so I think it would be premature to say that federal funding is not going to continue in some manner.

**Mr Marchese:** So part of your negotiation is to say to the feds, "We'll take the download under certain conditions," and one of the conditions you probably will be stipulating is that once the contracts end you want to make sure that some money continues flowing. Is your condition possibly something like that?

**Hon Mr Leach:** When you're entering into contractual negotiations with another party, you don't like to necessarily lay all your cards out on the table, but I could agree that financial aspects of social housing will certainly be on the table.

**Mr Marchese:** How are those negotiations going with the federal government? Where are they? I don't hear very much.

**Hon Mr Leach:** It was in their budget in 1996 that they said they wanted to devolve it down.

**Mr Marchese:** I know that.

**Hon Mr Leach:** Then the co-op housing sector objected to that and raised some objections with the federal government. I believe, and I stand to be corrected here, that the Liberal Party also disagreed with the devolution —

**Mr Marchese:** After we pressed them. This is true.

**Hon Mr Leach:** — and approached all of the federal Liberal members, all 101 Dalmations as we call them, to try and get them to —

**Mr Gerretsen:** Oh, that's shameful.

**Mr Marchese:** That's an unfair comment for the Liberals. There are only 100 spots.

**The Chair:** Let's not get into different breeds here.

**Mr Marchese:** Minister, please go on. I didn't want to distract you.

**Hon Mr Leach:** They approached the federal minister and the federal government and said: "We have concerns about devolving social housing down to the province. Would you please reconsider this." They said, "Yes, we

will reconsider it," and the federal government has been sitting on it ever since.

**Mr Marchese:** And you guys are still pressing, saying, "Come on, Minister."

**Hon Mr Leach:** Now the wheel has turned one more time. The municipalities have now approached —

**Mr Marchese:** They now want it.

**Hon Mr Leach:** They now want it. Now they have to go back to the 101 federal members, whom I will not refer to as the 101 Dalmatians —

**Mr Gerretsen:** I'll keep referring to your 82 as the 82 seals.

**Mr Marchese:** That's not so bad. At least they're cohesive.

**Hon Mr Leach:** — and get them back to the federal government to turn them around. I now have a letter from the federal minister — we've had an exchange of correspondence over the past seven or eight months — where he is prepared to sit down at the table and begin negotiations again. He has indicated that he would like to wait until such time as our social housing committee's report is tabled and I find that to be a reasonable request. That's going to happen somewhere around the middle of October. When that happens, we'll be back at the table as quickly as possible to start those negotiations.

**Mr Marchese:** I've got to tell you I hope that never comes to pass, because I'm very worried about it. We've disagreed with you on this policy of downloading the problem to the municipalities. I think it's fundamentally unprincipled and fundamentally wrong. If the feds do this, it will ruin any effort to reacquire for themselves, as federal Liberals, some role in some national policy, a policy that Paul Martin talked about in 1990, because he co-authored a report saying, "We need a role, and we need a national policy on housing." If you're going to salvage something — I hope they don't give it all up, but that's a different political problem. Sir, I know you're arguing that they're saying, "Download it to us."

**Hon Mr Leach:** I have some difficulty with your position of municipalities being responsible for social housing because most of the major municipalities are now responsible for social housing. The city of Toronto, for example, through the Metropolitan Toronto Housing Co has a huge portfolio, as large as MTHA.

**Mr Marchese:** Almost as large, but not quite.

**Hon Mr Leach:** Peel region, for example, has a huge portfolio of social housing. So the municipalities have the ability —

**Mr Marchese:** Minister, that doesn't make it right.

**Hon Mr Leach:** They have the ability and the wherewithal to do it. How many bottles do you have to have at the table here? Let's get one organization, one level of government, responsible for it.

**Mr Marchese:** They don't have the money. You say they have the money. We say that they say they don't have the money. That's the problem. The fundamental problem is, where should the money come from to pay for housing? You're saying: "We're giving it to them and they're man-

aging it. They're better managers than we are. Let's give it to them."

**Hon Mr Leach:** We want to make sure they have appropriate tax room to be able to fund those services that we think they should be responsible for. By taking 50% of the education cost off the property tax, we believe we've given them significant and sufficient tax room to be able to afford to do that.

**Mr Marchese:** Yes, you told us that yesterday. We say no, you say yes; it's an ongoing debate. It's polarized and we can't move around it.

Let me get around to another point, pay for say, because a lot of municipalities often use that expression, "We want a say if we're going to pay," and they've been paying now through the taxes. Did you agree with that principle, by and large?

**Hon Mr Leach:** By and large, yes.

**Mr Marchese:** Would you say the tenants also pay for their housing?

**Hon Mr Leach:** Yes.

**Mr Marchese:** The estimates I've seen are that about 59% of the costs of housing are paid by those tenants. It might vary from 50% to 59%. The figure might be incorrect, based on however they were analyzed, but they pay for their housing and from 50% to 59% is the figure I've seen. Would staff nod their heads, "Yes, more or less"?

**Hon Mr Leach:** They're saying it's not quite that high.

**Mr Marchese:** Dino, let's say half, more or less.

**Mr Chiesa:** A third to a half, depending on the program.

**Mr Marchese:** I'll have to check with that third and get back to Dino, because I've seen over half.

**The Chair:** We have to move on. By the time of the next round perhaps we can raise that question and get an answer.

**Mr Marchese:** Did half an hour pass already?

**The Chair:** Twenty minutes. Sorry, Mr Marchese.

**Hon Mr Leach:** When you're having fun, Rosario.

**Mr Marchese:** I was having fun with the minister.

**The Chair:** We now turn to the Conservative side.

1620

**Mr Terence H. Young (Halton Centre):** In Oakville there are affordable housing units that were built so expensively during the Liberal and NDP years in Ontario that even if you pay market value, market rent, which would be around \$900 for the average apartment, you're still being subsidized to the tune of about \$400 a month. So-called non-profit housing was non-profit in name only in that the consultants that advised the people building it and the lawyers, the architects and even the people who are managing the building make a lot of money. But the taxpayers are subsidizing it even above and beyond the market value.

The only answer in my view, and I wanted to ask your view as well, is to get more units built, and built by people who manage them effectively and practise good stewardship. I wanted to ask your view on how to make that happen in my area.



**Hon Mr Leach:** You're absolutely right that the co-op housing program that was in place was a big boondoggle. The average — your figures are pretty close — was about \$1,200 for rent. The market value paid was about \$900 but the average rent that was paid in a co-op was somewhere between \$300 and \$500, I believe.

**Mr Chiesa:** The average rent geared to income for co-op and non-profit is approximately \$300.

**Hon Mr Leach:** So you have a situation where the operating cost for the average co-op unit was about \$1,200 a month and the rent that is coming in is about \$300 a month on average. Every unit was costing the citizens, the taxpayers of Ontario, \$900 a month in subsidies. We believe that the program was completely and totally out of whack. We believe that there are far better ways to do that. I personally think that the principle of co-op housing is a good one where people collectively get together, put up a building, share the costs and share the service costs. In principle it's a good idea.

There was a program that got hijacked. They said non-profit, but that was the biggest misnomer of all time because everybody and his brother made a profit off non-profit housing. The people who provided the land and flipped it over to the architects who did the design, to the builders who put them up, to the agents who were involved with the consultants, everybody made profit off it. The only people who ended up paying through the nose were the taxpayers of Ontario. We ended up with \$1 billion worth of debt for about \$400 million worth of assets. That program just does not work. Again, we believe that the method and way to address this particular problem is to establish a rent supplement program which would assist those individuals who need help with subsidy for housing and help the individual directly rather than through the construction of bricks and mortar.

**Mr Young:** I remember, and correct me if I'm wrong, when rent controls were introduced in Ontario there were a number of major builders of rental housing, perhaps Bramalea, Greenwin and others, who just said: "We're getting out of the business. We don't see any fair return on equity." Isn't that what created the shortage and drove up the rents in Toronto to rates that are still hurting people looking for affordable housing today?

**Hon Mr Leach:** Absolutely. If you make it impossible or impractical for the major builders in this country, in this province, in this city in particular to get a reasonable return on an investment for building something, they're not going to build it. They just went completely out of the market because of all the pitfalls that were thrown in front of them.

**Mr Young:** In New York City today, I'm sure you're aware, Minister — I don't know if the committee members are aware — there are rental control units occupied by wealthy movie stars, \$2,000 a month or whatever. We've seen a situation here where two Toronto councillors with the combined income of I think over \$130,000 to \$140,000 a year were both living in government-assisted housing. How do we prevent wealthy people from living in

housing subsidized by their fellow taxpayers and just get money to the people who have the need?

**Mr Marchese:** They were paying market value, Terry.

**Mr Gerretsen:** Those people were paying market value.

**Hon Mr Leach:** I'm aware of the councillors in question. I understand that they are no longer living there but they were paying market value. But as I pointed out earlier, the market value that was charged to a co-op was about \$900 a month where the actual cost of operating the unit was \$1,200 a month, so that people who claimed that they were paying market value were still getting a substantial subsidy from the taxpayers of Ontario. There is no doubt about that whatsoever. I believe that the individuals you are talking about, who will go nameless, are no longer in that circumstance.

**Mr Marchese:** Would that be Jack Layton and Olivia Chow?

**Hon Mr Leach:** I think if you look around the city of Toronto council, you might find that there are still a couple who are living in co-op housing units.

**Mr Marchese:** I used to live in one too.

**Hon Mr Leach:** It's a good concept as long as you pay your full share. If you want to pay \$1,200 a month, which is the actual operating cost, be my guest, but don't live in a co-op saying you're paying market rent of \$900 when it costs \$1,200 to operate and you're getting a subsidy of \$300 from the taxpayers of Ontario.

**The Chair:** Further questions from the government side?

**Mr Wettlaufer:** How much time do we have?

**The Chair:** You have another 15 minutes.

**Mr Wettlaufer:** Minister, we proclaimed the Tenant Protection Act on June 17 this year and I felt at the time that it was necessary. I still feel that it was necessary. As you're aware, I toured with the committee two summers in a row —

**Mr Marchese:** I can vouch for that.

**Mr Wettlaufer:** — as did Mr Marchese. We heard a lot of input, we heard a lot of horror stories about the sky falling and of course we know that the sky hasn't fallen.

It's probably still too early to measure the success of the TPA. Nevertheless, I went to a meeting of a number of tenants in Kitchener shortly before the act was proclaimed. The meeting was organized by the tenants' association of one of the apartment units in Kitchener and it was attended by many tenants from around the city. One of the people at the head table was an NDP strategist and again we were hearing about how the sky was going to fall, but the sky hasn't fallen. Minister, I wonder what some of your views are so far. How is the act working so far, from June 17 until now?

**Mr Marchese:** It's working quite well.

**Hon Mr Leach:** Quote, Mr Marchese, "It's working quite well."

**Mr Marchese:** I can answer those questions.

**Hon Mr Leach:** I'm certainly pleased that the member from the third party recognizes that the legislation we put in place is working very well. I believe the rental tribunal



has dealt with about 8,500 complaints between landlords and tenants since it was enacted on June 17. They are being processed in three weeks from the time you want to lay a complaint until the time it's heard and you're getting an answer in one or two days, which is extremely good. I'm very pleased with the way the tribunal is operating so that the need of tenants and the need of landlords to resolve issues are being dealt with in a far more expedient manner than ever before.

With respect to the balance of the act, you're right, it's a little early to determine from a statistical basis how that's working, but we have had no substantiated complaints so far that the legislation is causing any difficulties for tenants or for landlords.

**Mr Wettlaufer:** As I communicated with you a couple of weeks ago, I've only had a couple of complaints from landlords but, surprisingly, I have not had one phone call nor one letter from any tenant constituent complaining about problems since the act has been proclaimed.

1630

**Mr Marchese:** Maybe you should send these guides out in different languages.

**Mr Wettlaufer:** If you have a problem, Mr Marchese, it must be because of the area in which you're living. About 35% of my riding are tenant residents. I live in a university riding in Kitchener; it's the centre of town. We do not seem to have the problems you have here. I don't know why. I won't get into that.

The other thing I have noticed in Kitchener is that since we even began the public hearings there was a contractor who immediately began construction on a high-rise, tenanted apartment building near the downtown of Kitchener. It's only about a half-dozen blocks from the main street.

In addition, a contractor who has been in the construction business for about 40 years in Kitchener came to me recently and said he would like to build some more apartments for rental but that he won't do it unless he can be assured of getting a reasonable return on his dollar. To that, I agreed. He said, "Can you give me a commitment that your government will not go back into the subsidized housing business?" I said, "Well, our government will not go back into the subsidized housing business." He pointed out examples where he could not compete with the subsidized rents of a building right across the street from a building he wants to construct on a property he owns.

It was precisely what you were saying, Minister. He would have to rent each unit at \$1,000 or \$1,100 to obtain a profit. But this building right across the road, which was built at a cost of \$1,400 by the government of Ontario at that time, was being rented out for between \$800 and \$900 a month. And if you saw that building — they have better furnishings in that apartment than I had in my house, and I had nice furnishings in my house.

**Mr Marchese:** That's extreme.

**Mr Wettlaufer:** No, it's not extreme. It just exhibits that there was no control under the NDP government or under the Liberal government when these buildings were being constructed.

Judging by what I said insofar as encouraging construction of new units is concerned, do you have any other ideas on how the TPA will encourage construction of new units?

**Hon Mr Leach:** I agree with your comments about the high cost of co-op housing, as it was being built over the last decade. I think I mentioned earlier that there was \$9 million worth of debt for \$400 million worth of assets. Those numbers were wrong; it was \$9 billion worth of debt for \$4 billion worth of assets. The taxpayers of Ontario have a \$9-billion debt that they have to finance each and every year to pay the subsidies on those co-op programs, built at costs far beyond what the private sector was building a comparable condo for. That's a situation very similar to what you experienced in Kitchener. Your 35%, just as an aside, is interesting; in my riding we have 80% tenants, so I have a pretty good first-hand knowledge of what is important to tenants and what is needed to get new building.

**Mr Marchese:** Are you running again, Al?

**Hon Mr Leach:** Certainly. With all those tenant votes, why wouldn't you?

Mr Wettlaufer, your question was, what are we doing? As you pointed out, it's not just the Tenant Protection Act that needs to be revised to get the private sector back into building. We have to revise the property tax system and we have to get the municipalities to accept that they have to institute some fairness in the property tax system. The tenant is a resident in a dwelling just the same as a single-family homeowner is a resident in a dwelling. From my point of view I don't see any reason a tenant should be expected to pay four times the amount of property tax that a single-family homeowner does, and that's the situation here in the city of Toronto. One of the things we have to do is to make sure that tax situation is levelled out and that we bring some fairness and equity back into that situation. That's the number one issue.

There was a report done several years ago by Greg Lampert which listed the range and the problems with getting back into the building business. He's updating that report — I don't think it's out yet, but I expect to see it shortly — which will show the reasons and what has to be done to get builders back in. We're going to address every one of those reasons, every one of those concerns that builders have and that developers have. There are all kinds of properties sitting around the city of Toronto, for example, sitting in my riding and Mr Marchese's riding, that are zoned for apartments. It is cheaper for the developer to let it sit there and pay the interest on the debt on that property than it is to put up a building — an absolutely ridiculous situation.

We have to get all the impediments out of the way so the builder can go in and develop that property and build apartments for the thousands of people who are looking for rental accommodation in the city of Toronto, and in the city of Kitchener, for that matter. You can count on us to address each of the issues that were outlined in the Lampert report, for example, to make sure that the builders will get back out there and start to build.

**Mr Wettlaufer:** Minister, I'd like to address the issue of municipal taxes for a moment. In the city of Kitchener the tax rate for apartments and condominiums is two and a half times that of residences, private detached or semi-detached residences.

When I raised this with the municipal council I was informed by one of the councillors, who I understand may be seeking the Liberal nomination in the upcoming election, that the reason that was the case — when I asked him to reduce it, he said, “We can't reduce it because that reduces the revenue for the whole city.” I said, “Why can't you make it more even?” He said, “Because people who live in residences vote.” I honestly hope he wins the Liberal nomination.

**Mr Marchese:** Who is that guy?

**Mr Wettlaufer:** I won't mention his name now, but he knows who he is.

How can we address that inequity?

**Hon Mr Leach:** That unfortunately has been the philosophy of many municipalities in the past. That was just a fact of life, that tenants were treated as second-class citizens. Their voter turnout was very low, so politicians from all stripes took advantage of the situation by saying, “That single homeowner votes for me so I'm going to make sure he's taken care of, and screw you, Mr Tenant.” We just can't allow that to happen any longer. We have to bring fairness and equity back into the situation. We have to level the tax situation. It's two and a half times more in Kitchener, but it's four times more in the city of Toronto.

Having said that, I also appreciate what is being said about, “If we do that we're going to have a big loss of revenue.” I don't think you can snap your fingers and correct a problem that's existed for decades overnight, but we have to develop a process that will phase in that difference over time, and the shorter period of time the better, as far as I'm concerned. I'm sure tenants would agree with this and I'm sure homeowners would agree with this, that you have to bring that fairness in. Everybody wants to pay their fair share. I'm quite prepared to pay my fair share. In my community our taxes went up 60% this year, as well they should have, because we were way underassessed. But it has to be done over time. What that time frame is I think is best left to the determination of each municipality — they know their requirements better than we do — but each municipality should take the tools the province has provided them, to allow a phase-in, to allow caps, and balance that scale so that everybody is paying their fair and equal share right across the board.

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**The Chair:** To the official opposition.

**Mr Gerretsen:** Let's just follow up that last line of thinking. It isn't only the multi-residential apartments paying higher rates. You get commercial paying a higher rate, industrial paying a higher rate. In your terms of fairness then, if everybody is supposed to pay the fair rate, what you're saying, realizing that the municipality still has to raise that same amount of money to provide the services, is that you are in favour of raising taxes on the

single-family homeowner. That's what you're saying, aren't you?

**Hon Mr Leach:** No. I'm saying that the municipalities have to bring some fairness and equity back into the tax system and that a residence is a residence, whether that residence is in a building that's 10 storeys high or in a home that's only one storey high. There has to be more attention paid to the fairness and equity, and if in most municipalities that generates a shift in taxes, then that should happen. Now, that should happen over time. I don't think it's fair for the single-family homeowner, for example, to take a substantial immediate increase in taxes as a result of the wrongdoing of municipal politicians for decades. I don't think they should overnight be faced with huge tax increases because they've been subsidized, for their vote, by municipal politicians over the years.

**Mr Gerretsen:** But with all due respect, it wasn't just the municipal councils that were doing that.

**Hon Mr Leach:** They set the tax rates.

**Mr Gerretsen:** Just a minute, now. It was the province that did that in the past by setting up the assessment system and allowing different classes. Why did your legislation that has just been passed and under which we're now going to the current market value assessment system, which you strenuously opposed in the last election — I've seen a lot of your leaflets to that effect, and obviously you've had a change of heart on that even though you've never admitted that in the House. Why is it that all of a sudden there are some major changes in that?

**Hon Mr Leach:** I opposed the market value —

**Mr Gerretsen:** Why did you allow different classes to be set up if you wanted everybody to share equally on a market value basis?

**Hon Mr Leach:** When you're finished your question, I'll tell you. Have you finished your question?

**Mr Gerretsen:** OK.

**Hon Mr Leach:** Then we start with one of your first comments. I opposed market value assessment in the city of Toronto as it was being proposed by Metropolitan Toronto in 1992.

**Mr Gerretsen:** Oh, I see.

**Hon Mr Leach:** Their proposal was to implement a market value assessment system that was put in immediately, with no phasing, no caps, no benefit for anybody, just whack: “Homeowner, here it is. You get it. If your taxes jump by 500%” —

**Mr Marchese:** There was a phase-in under the old one.

**Hon Mr Leach:** No, there wasn't.

**Mr Gerretsen:** Just a minute. You've had your turn.

Why did you in the new legislation set up such different classifications?

**Hon Mr Leach:** I haven't finished answering your first question yet.

There is a need for a classification system. As a matter of fact, I think it should be even broader than it is now. I think we've put in seven classes; there should probably be a few more classes in there. The current value assessment system says that properties should be valued on their



current use, which I agree with, which is somewhat different from market value. But I believe that in the residential class should be included multi-rise for tenants. I think the residential classification should be uniform to say that a resident is a resident is a resident, regardless of whether it's a condo, an apartment or a single-family dwelling.

**Mr Gerretsen:** So you're saying there should be one residential class for multi-unit apartments and for single-family residences. That's what you're saying.

**Hon Mr Leach:** Yes, and we have given the municipality the ability to do that. Our recommendation is that you do that over time, recognizing that there is a huge shift and you want to make sure it's phased in over time, so they have the ability to do that. It's whether they choose to do it.

**Mr Gerretsen:** But they also have the ability to set up different classes within the residential structure.

**Hon Mr Leach:** And they have the ability to set up a number of different classes within the commercial and industrial categories as well. The small business on Bayview Avenue is in a totally different set of circumstances from the bank tower in downtown Toronto, so there has to be a number of classes set up. But within those classes, when you say you have a class for small business, for example, all small businesses are treated equally, not the total unfairness that's there now, and all large buildings are treated equally. What we have now is that one small business on this side of town and one small business on the other side of town are treated in a totally different manner. We've brought in a system that's going to eliminate that and smooth it out. But again we have —

**Mr Gerretsen:** I'd like to get on to another issue. Do you agree with the CMHC guideline that a tenant should not be paying more than 30% of their monthly salary or of their monthly income? Do you agree with that concept?

**Hon Mr Leach:** Actually, I don't think that guideline applies to rent. That guideline applies to mortgages. If you're going to get a CMHC mortgage, their rule of thumb, their guideline, is that if you're going to try and get a mortgage from a bank to buy a home, it's 30% —

**Mr Gerretsen:** I'm talking about tenants now. Do you basically believe that 30% is the maximum that a tenant should pay for rent?

**Hon Mr Leach:** It's a guideline.

**Mr Gerretsen:** You see, we talked earlier about new construction, and you sort of lumped it all together, that all these non-profit and co-op units were built at \$1,200 or \$1,400 a unit per month. I think you have to be very careful. Would you not agree with me that some of the non-profit housing that was built many years ago — 10, 15, 20, 25 — on which obviously the mortgages are a lot less now, perhaps at better interest rates, don't cost anything like \$1,200 to \$1,400 per month? Would you not agree with that, that there is a big difference between what was built, let's say, in the early 1990s and late 1980s and what was built in the 1970s?

**Hon Mr Leach:** It's pretty hard to generalize, because it depends on what they've had to do to recapitalize the building. When you pay a building off, you often have to

refinance it, remortgage it, to make sure it stays in first-class —

**Mr Gerretsen:** Minister, you were the person who was generalizing by saying that these units were built at \$1,200 and \$1,400 a month per unit.

**Hon Mr Leach:** We were talking about the co-op housing.

**Mr Gerretsen:** What I'm saying to you is there are many non-profit units out there that do not cost, in total, when you take mortgage monies and everything else into account, anything like \$1,200 to \$1,400 per month.

**Hon Mr Leach:** That's probably true. I wouldn't argue with that.

**Mr Gerretsen:** You said yesterday that it would cost about \$80 per square foot for new construction today, for a builder to build apartment accommodation. Would you concur with that, that that's what you said yesterday? I wrote it down. You said —

**Hon Mr Leach:** Yes, about 80 bucks a square foot.

**Mr Gerretsen:** Does that include land cost, by the way?

**Hon Mr Leach:** No.

**Mr Gerretsen:** It does not include land cost. So if we take a piece of property in Kitchener or in Kingston or in Peterborough or what have you, and let's say we add in about \$25,000 per unit for land cost, which I think is on the low side, it would cost about \$100,000 to build a particular unit. Would you agree with that?

**Hon Mr Leach:** I wouldn't argue with that.

**Mr Gerretsen:** OK, and at today's mortgage cost, which is a heck of a lot better than it was four or five years ago, you could probably get 6% or 7% money, and if you include taxes in that and what have you, it probably would cost about \$10,000 to \$12,000 per year to actually maintain that unit and to pay the mortgage on it. Would you agree with that?

**Hon Mr Leach:** I wouldn't argue with that, no.

**Mr Gerretsen:** OK. That's about \$1,000 per month. If we take a family with one or two kids that lives on welfare, let's say, they get something in the neighbourhood of \$1,500 per month. Would you agree with that?

**Hon Mr Leach:** Yes.

**Mr Gerretsen:** If they're only supposed to pay 30% towards rent, that's only \$450. How is new construction ever going to be created when it's going to cost at least \$1,000 per month to create those units, if the people who are going to live in those units only have \$450 to \$500 per month to spend on rent? Would you not agree with me that the only way you're ever going to get the landlords to build these new units is to make sure that the government has an adequate new rent supplement program in place? Where is that program? It's not anywhere in your estimates here. Would you agree with that?

1650

**Hon Mr Leach:** I've said on a number of occasions over yesterday and today that we do need a rent supplement program. That is the way to go. Not to build bricks and mortar, but to get the private sector to build the bricks and mortar and to provide a rent supplement to those



individuals in society who need it. I've stated that. I agree 100% with what you're saying and I've stated that.

**Mr Gerretsen:** But the private sector isn't going to build it, Minister, until you make the announcement to say that X number of units this year or next year are going to be financed under a new rent supplement program.

**Hon Mr Leach:** Not necessarily, because, as I think was pointed out by the member for Kitchener, they're already starting to build. I know a number of developers right here in the city of Toronto that are prepared to build once all the impediments are taken out of the way. They'll build. Believe me, many of them see people who are on social assistance as tenants that they welcome, that they like to see in their building, because if they have a guaranteed rental supplement, that rent is guaranteed.

**Mr Gerretsen:** That's right, but right now we don't have a new rent supplement program, so the landlords aren't going to build these buildings.

**Hon Mr Leach:** As a matter of fact, in our legislation I think we allow them to get that directly.

**Mr Gerretsen:** Let me ask you something else. Let's talk about the condition of the housing authority units that are out there right now. First of all, you talked earlier about co-op housing and non-profit housing all in the same breath, and I think you have to be a little bit careful because they're not necessarily financed the same way. Did the housing authorities have any replacement reserve funds when you handed those units over to the particular municipalities?

**Hon Mr Leach:** Yes.

**Mr Gerretsen:** They have replacement reserve funds set up?

**Hon Mr Leach:** We reinstated the reserve fund last year.

**Mr Gerretsen:** For the housing authority units?

**Hon Mr Leach:** For the housing authority?

**Mr Chiesa:** What we did with the transfer to the municipalities and the base funding provincially, we provided \$100 million a year in base funding for capital items related to public housing. We never had a reserve system of accounting.

**Mr Gerretsen:** That's right.

**Mr Chiesa:** We always paid it as we went. But by the fact that we gave permanent tax room of \$100 million a year in the municipal system, that is, as of January 1 of this year, tantamount to \$100 million —

**Mr Gerretsen:** That's about \$1,000 per unit, isn't it, or maybe \$1,200 per unit? On 84,000 units?

**Mr Chiesa:** That's correct, \$1,200 a unit a year.

**Mr Gerretsen:** You think that's enough for all the older units that are out there? You're handing over these older units which in some cases, like Regent Park, are probably about 50 years old, and you're giving the local municipalities a replacement reserve fund of \$1,200. Is that going to be enough to do the necessary major repair jobs that are required?

**Mr Chiesa:** From the independent assessments we've had, the indications are that it's probably more than

enough, and we believe that from the public housing side certainly \$100 million a year is more than adequate.

The problem you have is that because of the life cycle of buildings and building components, you're into the major costs now, because these buildings are primarily 20, 25, 30 years old. You're getting into the big cost items. That's why it's been costing \$100 million a year. But once that \$100 million a year has been spent, and it has been spent for the last few years, then the actual requirements go down. So if you project out five years, 10 years, next year they'll need \$80 million, \$70 million, \$60 million, \$50 million, \$40 million. But we've given \$100 million a year in base funding to municipalities.

**Mr Gerretsen:** For how many years have you given that?

**Mr Chiesa:** Base funding is forever.

**Mr Gerretsen:** No, the \$100 million a year for reserve funds, how many years have you given that? When did you start that?

**Mr Chiesa:** It's been approximately the last five years. If you go back five years to now, it's been approximately \$100 million that we've spent.

**Mr Marchese:** It's not a reserve fund, though.

**Mr Chiesa:** It's not a reserve fund, but we've spent \$100 million a year.

**Mr Gerretsen:** So you've spent \$100 million a year on repairs.

**Mr Chiesa:** Correct.

**Mr Gerretsen:** Just answer the question as directly as you can. You're turning the units over to the municipalities. Are you turning over any replacement reserve funds to those municipalities for the units that you're turning over right now?

**Mr Chiesa:** We're giving them \$100 million a year in base funding for capital needs for public housing.

**Mr Gerretsen:** For how long are you going to do that?

**Mr Chiesa:** It's base funding so it's forever.

**Mr Gerretsen:** I thought you just said it's going to go down to \$80 million, \$70 million, \$60 million.

**Mr Chiesa:** Sorry, I didn't explain myself properly. The actual cost to the municipality for those capital items goes down but they still have \$100 million, so they can put aside the difference between what it costs them and what we allow them so they can build up a reserve over time for future capital needs. Once you replace your furnace today, it doesn't mean that you shouldn't make provisions for a furnace because it's going to come due again in another 15 years. So you're at the peak of capital costs now, but over time the actual draw on that \$100 million is going to go down, but the municipality has \$100 million available to it for purposes of capital items in the base funding.

**Mr Gerretsen:** And that works out to about \$1,200 a unit.

**Mr Chiesa:** Yes, \$1,200 a unit, which is far in excess of any private sector norms and, by independent assessments we have had, basically is in excess of what independent technical people have told us we need. But we felt it was important to make sure that tenants live in a safe

and comfortable environment, so we provided for \$100 million in base funding.

**Mr Gerretsen:** OK. Let's talk about the non-profit units. Most of these original contracts were signed between the province, the feds and the individual non-profit groups. Is that correct? How many co-op units do we have in the province, as opposed to non-profit units, that you're actually turning over to the municipalities, the contracts you're turning over? Can somebody give us a figure on that? I think the co-op numbers are way less than the non-profit numbers.

**Hon Mr Leach:** I think there's a breakdown.

**Mr Chiesa:** I'll get the breakdown for you, but there is more non-profit because in the non-profit you include municipal non-profits. The total of municipal non-profits and private is far larger than co-ops, yes, but there are still substantial co-ops.

**Mr Gerretsen:** Basically you're turning over contracts to the local municipalities in which they had no say when those contracts were originally signed other than perhaps from a zoning viewpoint etc. Is that not correct, Minister?

**Hon Mr Leach:** At this point in time we've turned the financial aspect of non-profits over to the municipalities. They pay for it, but we will be in the process in the very near future of renegotiating the contracts that exist between the province and the federal government. That's what these negotiations are going to be. The municipalities are now encouraging that to happen because they recognize that there is a need to reform those social housing contracts, and we'll make sure they have adequate input into that process before it's turned over to them.

**Mr Gerretsen:** When I see in the budget the amount that you're paying out on the social housing side of things drastically reducing over the years, is that as a result of lower mortgage interest rates?

**Hon Mr Leach:** It plays a large part but it's not the only feature that comes into play. Dino, can you come in on that?

**Mr Chiesa:** By far the lion's share are the mortgage renewals. Certainly that's been going for us this last little while. In addition to that, though, we do look at manageable costs by non-profits and co-ops and apply constraints to those that are excessive. There is a process in place to make sure that the monies are expended properly, so there are some dollars that are saved as a result of that as well.

**Mr Gerretsen:** Let me just ask you a basic philosophical question. To what extent is the province still going to be involved in monitoring these contracts and situations between the non-profits and the municipalities? The reason I'm asking that is I think traditionally, going way back when, one of the reasons the province got involved in this whole exercise was because municipalities simply weren't building any non-profit or social housing units etc and there was sort of a provincial interest in the whole concept, that people had a right to adequate housing. Where do you see the provincial role going in that respect?

I get the impression that the province and maybe to a certain extent the feds as well, though they can speak for

themselves, are sort of washing their hands of any kind of social housing and saying: "Municipalities, it's up to you. If you want to fund it, fine, and if you don't, fine too. If you end up with a huge waiting list for social housing or with a lack of adequate housing supply, that's up to you." It seems to me the province surely has some overriding provincial responsibility there as well as local municipalities. Do you have any comments on that?

1700

**Hon Mr Leach:** Much of that will be determined as a result of negotiations between the federal government and the province as we devolve responsibilities for social housing from the feds to the province to the municipalities. What the province will be looking for is assurance that social housing across Ontario continues to adhere to the standards that ensure fairness and equity of the delivery of services and maintenance across municipal boundaries, to make sure that municipalities just don't do that, that they just don't go up and sell them all the next day or get out of the business. So there will be an ongoing provincial presence. What that presence will be will be determined over the next few months as we negotiate with the feds and reform the social housing program. But we will have standards that will deal with equity and access to ensure that there are standards right across the province.

**Mr Gerretsen:** But how are you going to —

**The Chair:** Mr Gerretsen, thank you. Your time has expired.

**Mr Gerretsen:** Quickly, just give us those numbers on the number of co-op units and non-profit housing.

**The Chair:** He definitely agreed to do that, I think.

**Hon Mr Leach:** Yes, we agreed to do that.

**Mr Gerretsen:** Have you got them?

**The Chair:** We'll make sure those are available.

**Mr Chiesa:** There's a breakdown on page 187.

**Mr Marchese:** Minister, you were talking about how co-ops were such an incredible waste, a boondoggle; co-ops and non-profits, I am assuming you mean both, waste and boondoggle, billions of dollars just thrown away. I know statistically that co-ops and non-profits are an infinitesimal, a picayune amount of units and housing in the scheme of all the housing that's out there. It is so imperceptible, yet I notice you and others make such a big deal of these numbers and I understand the philosophical reason why you do that.

But if that is a boondoggle, how do you respond to the opposite, which is what I believe to be true? If Anne Golden says you need 2,000 units to deal with the emergency problem as it is, without the waiting list, my view and hers, I presume, is that that causes a lot of social problems in itself. That itself will create other costs, other deficits: economic, intellectual possibly. They are costs that will be incurred by governments at some point, one assumes, if that matter of housing isn't settled. Does that enter into your thinking at all? Is that a deficit at all? Will that cause a deficit?

**Hon Mr Leach:** It does, but I don't think anywhere near what was caused by the program that was previously in place. You may consider \$9 billion worth of debt for



the co-op program to be minor. I consider it to be substantial. When you have a \$9-billion debt for \$4 billion worth of assets, it is not small potatoes. You're talking big money here. If you had a program that was better controlled over the years and you had a lot of that \$9 billion that you could have spread over on to other social housing programs, we would be in a whole better shape today than we are.

**Mr Marchese:** I hear you. I'd like to see how you come to that conclusion and who is providing you with those numbers. If you've got them and staff has them written down for you, that that is a \$9-billion problem for \$4 billion of assets, I'd like to be able to — not through an explanation you can provide now but perhaps in writing, because I'd like to follow the logic of that argument so that we can debate another time.

**Hon Mr Leach:** You've heard me say on many occasions that I agree in principle with the co-op program. The principles behind co-op housing are very sound, where you have a group of individuals with like needs and like desires who get together and build a co-operative where they contribute equally to the maintaining of it. I just don't think that because they choose to live in a co-op the balance of the taxpayers in Ontario should subsidize that.

**Mr Marchese:** But as a concept, it is a wonderful concept.

**Hon Mr Leach:** It is.

**Mr Marchese:** You're saying you agree but then you contradict it, I think, on the other hand. The concept of co-operative housing, in my view, is a wonderful social idea. The private sector will never build in that way. What we used to do in the past is we would house all poor people in one building. It was a sheer, big mistake that we caused as governments when we built public housing, thousands of units beside each other, all poor people in one area. It was a disastrous thing that anybody could have come up with.

The private sector doesn't build co-ops. They don't, unless you buy into a co-op where you actually own your own unit, which makes it a different kind of co-op. So the co-op concept says that you've got people who are relatively poor, people of middle income and some who are of above income, because that's the experience I've lived through, and I find that to be such a socially good thing to do.

**Hon Mr Leach:** You're absolutely right, but you see, the subsidy should go to the individual. The subsidy shouldn't go into the building of the bricks and mortar.

**Mr Marchese:** But who will build such a concept? Who will build such a co-operative style of living? Who will do that?

**Hon Mr Leach:** There are lots of examples of —

**Mr Marchese:** They don't do it, Minister.

**Hon Mr Leach:** — co-ops that are built under different circumstances. And I agree with you that you shouldn't build ghettos where you put all low-income families in one place, but you should make sure that those who require subsidy have that rent supplement in their hand where they can choose to go and live where they want.

**Mr Marchese:** We dealt with that yesterday. If you give a person with a disability some money, which is yet to be determined by your universal shelter allowance that you promised, that we don't know anything about — we don't know whether it's coming, when it's coming. We already give \$2.3 billion worth of shelter allowances as it is through various programs. You're promising something new, whatever that is, whenever it's coming. We all know what ideas you've got in mind that work differently, but I certainly would love to see them some day. Hopefully they will become part of another promise for your next government. If you give these people —

**Hon Mr Leach:** In our second term.

**Mr Marchese:** Yes, I can't wait. If you give some people this allowance, you say, "Here are a few bucks, go find your shelter." There isn't any, first of all. Second, for people who really need the kind of housing that a person with a disability needs or a person with HIV needs, where are they going to find if it isn't there now and it isn't being built?

**Hon Mr Leach:** As I said — we're starting to repeat ourselves here — you have to eliminate all the impediments here that the private sector had facing it to get them out there —

**Mr Marchese:** I heard that. All right.

**Hon Mr Leach:** We're doing that and we're doing it as quickly as possible, and I think you'll see private rental housing under construction in this province again in a big way.

**Mr Marchese:** You will see nothing unless you give the whole shop away. That's what you're going to see.

Moving on to a separate question which you touched on earlier, you say tenants pay too much —

**Hon Mr Leach:** In taxes?

**Mr Marchese:** Yes. Tenants pay too much.

**Hon Mr Leach:** They've paid more than their fair share.

**Mr Marchese:** And you say municipalities, because you're giving them this wonderful tool — you guys are benevolent, I've got to tell you, to give these municipalities the power to fix the problem. I love it. You didn't want to exercise the power yourselves but you say, "We're going to shift it on to the municipalities because we're good." Then you can say, "We've given them the toolbox and they're not using it, those buggers," old Tories and Liberals and NPDers, many of them. Let's say they're paying more than they should. The landlord says: "We're paying a whole lot in taxes. In fact, we're paying more than we think we should be paying." You're saying, "Well, relative to tenants, they're not paying enough." Is that a fair assessment?

**Hon Mr Leach:** No, I didn't say that.

**Mr Marchese:** If tenants are paying too much and you want to drop that, someone's got to pick up that cost. Is that a fair comment?

**Hon Mr Leach:** Other people in residential class, yes.

**Mr Marchese:** If we reduce taxes for tenants, landlords will have to pick that up, right?



**Hon Mr Leach:** Not necessarily landlords. It could be spread across other residential —

**Mr Marchese:** Small business maybe?

**Hon Mr Leach:** No, residential property. What I said earlier, in response to a question from Mr Gerretsen, was that I believe a resident is a resident, whether you live in a 34-storey building or you live in a one-storey building, and that the tax situation for a resident should be equal across the board. It's not at the present time. You are absolutely right. If —

1710

**Mr Marchese:** I know. I'm trying to get to the politics of it and I want to see how you want to answer that.

**Hon Mr Leach:** I'm sure what you're going to insinuate is that if you lower the tenants you're going to increase the single-family home.

**Mr Marchese:** Inevitably.

**Hon Mr Leach:** That's correct, but what we're saying to municipalities is: "That's what's going to have to happen. Now here's the toolbox on how to deal with that over time. Phase this in over a number of years. Get fairness and equity back in the system. Make sure that everybody is dealt with with some fairness, but don't create a major problem by doing it. You're not going to be able to snap your fingers and do it overnight. You're going to have to do this gradually so that people are not punished because of the actions of politicians from previous years."

**Mr Marchese:** But they will be. Whether you phase it in or whether you do it immediately, they'll be punished in this way. First, landlords are paying —

**Hon Mr Leach:** What you're saying, again, is what you said yesterday, that tenants should pay four times the amount that a single family —

**Mr Marchese:** If that is true, then the opposite is true, that landlords should pay, is what you're saying.

**Hon Mr Leach:** No. I'm saying that all people who live in a residence should —

**Mr Marchese:** Why can you get away with your other statement and then try to weasel out of the other one?

**Hon Mr Leach:** I don't see how you tie a landlord to a resident.

**Mr Marchese:** That's pretty well what's left there. You take it out of the tenants, what you've got is —

**Hon Mr Leach:** I've got a landlord and I live in a single-family residence, and I'm prepared to —

**Mr Gerretsen:** And you don't pay enough taxes, you just said.

**Mr Marchese:** Yes, so you want to pay more. I just don't think that a whole lot of other people are going to agree with you.

**Hon Mr Leach:** If it brings fairness and equity back into the system —

**Mr Marchese:** So the politics — Minister, let me speak from time to time.

**The Acting Chair (Mr John Cleary):** One at a time here.

**Mr Marchese:** I beg your pardon?

**The Acting Chair:** One at a time. Give the minister a chance to answer and then you ask another question.

**Mr Marchese:** That is so helpful, Mr Chair.

**The Acting Chair:** How can Hansard pick it up?

**Mr Marchese:** That was very good, Mr Chair. I agree with you.

**Hon Mr Leach:** Yes, I agree with him too.

**Mr Marchese:** Are you finished?

**Hon Mr Leach:** Do you want two minutes of silence?

**Mr Marchese:** Whose turn is it, Mr Chair?

**The Acting Chair:** Your turn.

**Mr Marchese:** The politics of this are, if the person who owns a home ends up picking up that problem where they believe they're paying a hell of a lot, they're going to be awfully unhappy, whether you phase it in over two years or three or four.

I'm saying what you've done is cause more chaos than before. You argue, "We'll try to fix it, and the municipalities have the tools and should be able to fix it nicely."

**Hon Mr Leach:** What you're saying is, keep the tenants in the dark and feed them bullshit, and keep their taxes way up there.

**Mr Marchese:** No.

**Hon Mr Leach:** That's what you're saying —

**Mr Marchese:** I'm saying that what you've done — okay, finish, because I don't want to upset the Chair.

**Hon Mr Leach:** What you're saying is that you can't lower the tenants' taxes because it will cause a tax to increase in another area. Well, that's what you have to do; either that or the municipalities cut spending, which is another good idea. A lot of them should look at cutting spending, which is another way to accomplish it. Generally, you have to level off the tax situation, but again, you've got to do it over time. We said eight years. The municipalities have chosen different time frames, but we felt that an eight-year phase-in to accommodate tax shifts was a reasonable time frame to fix a problem that's existed for the last 40 years.

**Mr Marchese:** Could I get back to a question that I asked you earlier. I was saying that tenants pay their fair share; they pay half of the costs, pretty well. If the municipalities argue they need say for pay, tenants have been saying, "If that principle is something you support, then we feel that tenants should have the same in what happens to their housing." Is that a fair comment? I think it's fair.

**Hon Mr Leach:** Aren't there associations in just about every building? I think they have some say in how their units are operated.

**Mr Marchese:** Right, but the reason I raise that is tenants were not part of the discussions of the social housing reform committee. In fact, they were allowed a mere 10 minutes in your Toronto consultation session earlier this week, compared to the 15 minutes each of the provider groups got.

You'll recall, Minister, I had a discussion with you before that group was set up to urge you —

**Hon Mr Leach:** You're talking about the professional tenants' associations?

**Mr Marchese:** It's called the social housing reform committee.

**Hon Mr Leach:** Yes, but what group did you say didn't have input?

**Mr Marchese:** Tenants.

**Hon Mr Leach:** Yes, tenants did have input, but I'll let Anne Beaumont respond to it.

**Ms Anne Beaumont:** I'm Anne Beaumont. I'm the ADM of housing policy and programs. There have been several phases to the development of the reform package. One was the work of the social housing advisory committee. They certainly met with tenants. The Social Housing Committee that's been doing its work in recent months met with tenants. They moved around the province and met with tenants in a number of cities and heard delegations from tenants in individual buildings across the various sectors of social housing. They met with tenants of LHAs, of non-profits, both municipal and private, and co-ops. I know from talking to members of that committee that they were very impressed with the comments they heard from many of those tenants.

**Mr Marchese:** Really? I'm happy to hear that. This is not really appropriate of you, because the minister should answer these questions, but who is there in that social housing reform committee who represents tenants?

**Ms Beaumont:** There's no one on the committee who specifically represents tenants, but if you look at the makeup of that committee, there are people on that group who are politicians and bureaucrats within municipalities. All of them indicated very clearly that they had consultation back in their municipalities with tenants. There are people who have worked in the non-profit world. There have been people at the table for every meeting representing the non-profit world, the co-operative housing world and the LHA world. So while there have not been any tenant groups, as such, there certainly have been many people from various sectors who have much contact with tenants.

**Mr Marchese:** You see, that's the problem. Again, we're talking and I'm not sure why I'm asking you these questions, because you really have nothing to do with it. You're trying desperately to defend it in the best way you can, and I appreciate that. Politicians, yes, represent everybody, but there are many politicians who never go to meetings where it's an MTHA building. I've often been invited to speak in Scarborough, for example. I'm the only one who ever goes. Municipal politicians don't go, Conservative politicians don't go, federal politicians don't go. On the other hand, you say politicians are represented and they represent MTHA tenants, for example.

**Ms Beaumont:** I think you're putting words in my mouth, if I may, Mr Marchese.

**Mr Marchese:** You're quite right, I am. The point is, you say —

**Mr Gerretsen:** Don't let him trick you, Anne.

**Mr Marchese:** I was trying to exfoliate that onion. When you say politicians are there, it conveniently almost says they're representing them, and the point I make is they're not necessarily doing that.

**Ms Beaumont:** Yes, I did make the point the politicians are there, but also that there are others at that table as well —

**Mr Marchese:** I want to get to the others, yes.

**Ms Beaumont:** — who are involved in boards, are advisers to new bodies.

**Mr Marchese:** Yes, let me get to it, because then you say bureaucrats are there. That's a good one. MTHA tenants have been complaining for years that no one listens to them. I know that through Alexandra Park, because I've been there for many years, and they've had so many complaints about how staff people don't listen to their needs, their concerns. So I'm not sure it's fair to say that bureaucrats represent the views of tenants. I'm just making the point.

**Ms Beaumont:** The bureaucrats I was talking about are municipal bureaucrats, not those working for MTHA, those working for corporations who, recognizing that they're taking on new responsibilities in taking on the responsibility for social housing, have, it's been indicated very clearly and directly and demonstrated clearly and directly at many of these meetings, made a very real effort to go out to meet the tenants within their municipalities, to understand their concerns, their fears, their desires, their aspirations. This has happened, I would say, especially within the public housing community.

1720

**Mr Marchese:** OK, Anne, I appreciate your comments but I just don't think that's happened very well. I'm serious about that, and it upsets me very much. It's more of a political question, not with you, but if you don't have adequate representation of people who live in those buildings, it's not good representation, it's not pay for say.

**Hon Mr Leach:** Alexandra Park?

**Mr Marchese:** No. I was talking about the social housing reform committee report, for example, and the other committee established earlier to deal with the changes in public housing, and I'm saying to you and to your staff that without adequate representation from tenants, you're not dealing with their needs, their issues. Anne says we're dealing with people who understood the needs. If you don't have them at the table, you're not dealing with them, and so I —

**Hon Mr Leach:** That's not necessarily true. Do you have to be a chicken to recognize an egg? I don't necessarily agree with that. You can have representation on a task force that doesn't necessarily have to be a tenant. There are lots of people on that task force. In fact, all the people on that task force have a great deal of knowledge that relates to social housing.

**Mr Marchese:** Minister, do you agree with the principle —

**The Acting Chair:** Mr Marchese, your time is up. Governing party.

**Mr Trevor Pettit (Hamilton Mountain):** First of all, Minister, I'd like to echo Mr Gerretsen regarding the staff. I find them to be very informative. Certainly I've learned a lot from listening to them.



I'd like to speak about the municipal restructuring fund. We all know that many municipalities have undertaken restructuring throughout the province in order to streamline local government and achieve cost-savings. To ease that transition, the government, through your ministry, set up the MRF or municipal restructuring fund. I'd like you to describe that fund for us, gauge its success at meeting the desired goals and also comment on the success of municipal restructuring more generally. Once we have done that, I would like to go into something regarding my area on that.

**Hon Mr Leach:** First of all, let's talk about the restructuring generally. When we started the process several years ago, there were 815 municipalities in Ontario. As of January 1, 1999, that number will be down to about 590, and there are a number of others that are currently in the process. The vast majority of the reduction in the number of municipalities has been done in co-operation with each municipality, without any provincial input whatsoever, so it has worked well. Municipalities are recognizing that by amalgamating they can eliminate a lot of overlap, a lot of duplication that exists. I think the most interesting one I saw was in northern Ontario, where we had three small townships amalgamate. Each had its own municipal infrastructure, but at the end of the amalgamation the total population was 432. That was the smallest one.

But when you look at communities like Chatham-Kent, for example, where they went from 11 municipalities to one, when you look at Prince Edward, where they went from 21 municipalities to one, with the elimination of the overlap and duplication that took place in all of those — in Chatham-Kent, for example, just the saving in having a common insurance policy for one municipality rather than 11 municipalities has saved them in excess of \$300,000 a year. Chatham-Kent, by reducing from 11 municipalities to one municipality, has frozen taxes this year and there's every indication they will have a tax decrease next year as a result of the savings.

The city of Toronto is another very good example where you go to the opposite end of the scale, where the savings from amalgamation are in excess of \$300 million a year, and that number has now been confirmed by the budget chief of Metropolitan Toronto. They have already found well in excess of \$50 million and are confident that they will find the entire \$300 million in savings over the next three years, as we indicated they would. So the municipal restructuring process, the amalgamation of municipalities has been a large success.

**Mr Pettit:** In order to qualify for any of that funding, is that tied to some form of amalgamation and/or reduction in political numbers?

**Hon Mr Leach:** It was a restructuring of municipalities, yes. In all instances to date, that has been an amalgamation of two or more municipalities.

**Mr Pettit:** As you know, we have a situation in Hamilton-Wentworth where they have done some merging of administration and offices, yet it's my understanding that does not qualify for any municipal restructuring monies. Is that correct?

**Hon Mr Leach:** That's correct. In my view, and I've stated it publicly on a number of occasions, there is an identified need to restructure municipalities in the Hamilton-Wentworth area. I think they have identified that if they did restructure both politically and service-wise, they could save in excess of \$30 million a year.

**Mr Pettit:** That's right, but on page 14 of the book, there's a listing of "Legislation Administered by the Ministry of Municipal Affairs and Housing," and if you go down to number 69, it says: "Regional Municipalities Act... These acts establish restructured two-tiered municipalities and provide for composition of council, road system, hydro, planning" etc. Below that is "Regional Municipality of Hamilton-Wentworth Act." I'm not sure when that was established, but —

**Hon Mr Leach:** In 1972, I think.

**Mr Pettit:** In 1972, and that's established by the province. Is the onus not to some extent then, if the province gets us into this, to help us get out?

**Hon Mr Leach:** Yes, absolutely. We're not looking for a consensus of all the municipalities in Hamilton-Wentworth, but if the majority of municipalities in Hamilton-Wentworth could agree on a course of action, the province would implement legislation to change that.

**Mr Pettit:** OK, but as you know, we have a gridlock in Hamilton-Wentworth because we can't achieve that, triple majority, in spite of the fact that our regional chairman was elected on a one-tier agenda. The only one paying the price for that right now is the taxpayer. Where would you suggest we go?

1730

**Hon Mr Leach:** There are several regional governments in the province that are facing very similar situations — the city of Ottawa, for example; Kitchener-Waterloo is another one; Halton; Hamilton-Wentworth. What we're saying is, come up with a majority of the municipalities within the jurisdiction, representing the majority of the voters, and we'll implement whatever you decide. I believe there are six municipalities plus the region, so you need four plus the region. Whatever they decide, the province would commit to implementing.

I know that in Hamilton-Wentworth they've been around the block three or four times. They have come close. There have been two or three tentative agreements reached where there was some consensus to undertake restructuring. I would suggest you keep their feet to the fire and that the local politicians who recognize the benefits of restructuring, such as the regional chairman, for example, and the mayor of Hamilton, keep pressing home the advantages and the cost savings that are there. When people start to talk about, "Why are our taxes going up?" you can look back and say it's because of the inefficiencies of running this region in the manner in which it's being run right now." I think everybody agrees with that. There is so much overlap and overgovernance in Hamilton-Wentworth that everybody agrees — I don't think there was an argument from anyone — there was in excess of \$30 million worth of savings. But there are many who are saying, "We're prepared to live with that



\$30-million unnecessary expenditure just to keep the status quo." If they can convince their taxpayers that they're going to have to pay that \$30 million in excess, unnecessary expenditures, maybe that's the way it's going to go. I disagree with it and I think you do too.

**Mr Pettit:** I do.

I'll defer to Mr Parker.

**Mr John L. Parker (York East):** How much time have we got?

**The Chair:** You have another 10 minutes.

**Mr Parker:** Minister, I'd like to maybe shift gears here for a moment. I guess this is a bit of a segue from Mr Pettit's conversation. I'd like to speak to you about the megacity, bearing in mind that what we here in Ontario call a megacity in New York they call a borough. The legislation to amalgamate the Toronto municipalities was introduced just less than two years ago. For those who were paying very close attention and had particularly astute antennae, they may recall that there was a degree of apprehension on the part of some persons as to its viability and advisability.

By the way, I should just interrupt my own commentary here and thank you for facilitating the legislation to permit a third East York councillor. The by-election has been held. Jane Pitfield has now been sworn in as the third East York councillor and tomorrow takes her seat in the council for the first time. So that is a done deal. East York now has three councillors. East York has greater representation on the new city council than it had on the old Metro council. Thank you very much for your efforts in bringing that about.

There was considerable apprehension at the time the bill was under debate as to the advisability of proceeding with amalgamation and the viability of the resulting entity. Among one of the more colourful critics at the time, not necessarily the most vociferous but certainly one who brought some colour to the debate, was the then-mayor of North York. I wonder if you've been keeping an eye on progress with the megacity since it went into effect in January this year; it's been a little over half a year now. Can you tell us, have you been monitoring the developments in the city since amalgamation went into effect in January this year, and what have you seen?

**Hon Mr Leach:** Yes. First of all, I'd like to get it on the record that you played a major part in getting that third councillor in East York. Although I personally disagreed with that, you did a good job for your constituents in making sure that happened.

**Mr Parker:** By the way, for the record, Leaside now has a councillor on the megacity.

**Hon Mr Leach:** That's right.

**Mr Parker:** It's about time. Thank you very much for that.

**Hon Mr Leach:** How well is the megacity working? Let me again quote the mayor of the city of Toronto: "Amalgamation does work, and it works well. You've got to have the will and you've got to have the drive. The city also saves money on banking, pooled resources over time, and since they now have a larger fleet of vehicles to

compete with in the city, these efficiencies in place in Toronto will be able to lower taxes in five years; not freeze taxes but to lower them." That's another quote from the great mayor of the city of Toronto.

They've already identified, as we indicated during the debate on the creation of the new city of Toronto, that there would be an excess of \$300 million in savings each and every year if the amalgamation took place. That number is now confirmed and acknowledged by the budget chief for the city of Toronto. In this first year alone I think they've identified something like \$57 million, and they're confident that they will achieve the entire \$300 million in the first three years of operation, as we indicated that they would.

I think that in itself is a strong endorsement for the decision made by this government to get rid of the tremendous duplication that was taking place by having seven governments operating within this area. You had six municipalities collecting garbage and another one to take it away. If that isn't overlap and duplication, nothing is. I think that's being borne out and recognized by some of those who questioned the wisdom of amalgamation in the first place, like the current mayor.

**Mr Parker:** As I understand it, your ministry has played a role in helping to facilitate the amalgamation process and some of the financing issues that arise in the course of implementing the amalgamation. I wonder if you can just elaborate a little bit on what you've done there and how you foresee that story playing out.

**Hon Mr Leach:** We recognize that Toronto has its unique needs and circumstances. We know that and we're well aware that there's a cost of amalgamation that has to be borne by the taxpayers. We recognize that, but we also recognize, in determining that there would be at least \$300 million a year in savings over the first three years, that there would be some initial upfront costs that taxpayers would have to absorb. The province initially provided a \$50-million non-repayable grant to make sure that the infrastructure required for restructuring could be put in place — that's amalgamating the computer systems from seven governments into one — and we provided that.

We also recognized that it would take some time to generate that \$300 million in savings so we said to the city of Toronto, "We will loan you \$100 million interest-free while you're putting the systems in place to make sure those savings are there." We flowed that first \$100 million. We've also said that if \$100 million isn't sufficient to get it up and running, we'd be prepared to put in another \$100 million as a loan to be repaid after that \$300 million in savings is realized. The repayment of that loan begins in the year 2001, and that's to be totally paid off in the year 2003. Again, I understand from the officials at the city of Toronto that they won't have any difficulty in accomplishing that.

**Mr Parker:** So the \$50-million grant has been paid out?

**Hon Mr Leach:** That's been paid.

**Mr Parker:** The first \$100 million has been lent?

**Hon Mr Leach:** That has been flowed.

**Mr Parker:** What are the prospects for the need to draw upon the other \$100 million? Do you have a sense of that?

**Hon Mr Leach:** We've indicated it would be there if they require it. They haven't determined yet whether they will need that. It depends on what processes they put in place to streamline and get systems into place whether they'll need it or not. It's debatable. They may need some portion of it, for example. We said that there would be up to \$100 million available. If they need \$10 million or \$20 million or \$30 million, whatever they need, up to \$100 million, to make sure that the new city is up and running well, the province will be there to provide it. They have to pay it back, mind you, but I think that's fair.

**Mr Parker:** As near as I can make out, as a consumer of services in the city it's pretty much been status quo since amalgamation. My garbage continues to get picked up the way it was before, parks and recreation had the same kinds of programs this summer that they had the summer before and so on and so forth. I admit this, that in January 1998, for the first time ever I did see a little snowplow go down the sidewalks in my neighbourhood. I never saw that before amalgamation but we saw that in January 1998. But I can't see everything that's going on and I can't see how all standards of services are being maintained or operated. Can you comment? How are services being maintained?

1740

**Hon Mr Leach:** Services to the individuals are continuing and in many instances they're being improved, as you've experienced in East York. Where they're finding a lot of savings is in getting rid of a lot of the administrative overlap and duplication — insurance policies, for example, for seven governments, having that being provided for one government; there are millions of dollars in savings that have been recognized already.

It's the administrative side. Through attrition they're being able to downsize the number of staff that have been required to properly run the city. They had seven CAOs before and they will be down to one, the number of clerks and treasurers, and it repeats itself by six or seven in every instance. As you combine those positions and amalgamate those administrative services, there are substantial savings to be found. They're being recognized.

Again, the rationale behind providing the \$100 million in funding was to make sure they could amalgamate those services and downsize the staff through attrition and retirements and make sure they had the funds there to pay for those retirements and that attrition. That's where it's coming from, but not at the cost of on-the-street services. The garbage is still picked up on the same days and at the same times; the snow plows are there.

**The Chair:** Thank you, Minister. I'll interrupt you to draw this period to a conclusion and turn the last section over to the official opposition.

**Mr Gerretsen:** I have a number of questions in the same area. You made a statement earlier which I'm sure you would like to correct, because I'm sure you wouldn't want something other than the whole truth and nothing but

the truth on the record. You said that the amalgamations around Ontario — I believe I quote you correctly here — were done without government input. Did you really mean that?

**Hon Mr Leach:** I said the majority.

**Mr Gerretsen:** Were done without government input?

**Hon Mr Leach:** That's right. I'm not sure, but there were either four or five instances where at the request of the municipalities the province appointed a commission. That was in five instances. In the other several hundred they were done voluntarily by the municipalities.

**Mr Gerretsen:** Just so that we're clear on this, the process once it started may have been done voluntarily, but you gave these municipalities or areas definite instructions to amalgamate by a certain date — it may have been a year after you told them, or a year and a half — or else the government was going to do it. Isn't that correct?

**Hon Mr Leach:** No, that's not correct.

**Mr Gerretsen:** You didn't say that to any of them?

**Hon Mr Leach:** I said that if requested — this is what the legislation very clearly states — by the municipalities, we would appoint a commissioner to assist them in restructuring if they couldn't —

**Mr Gerretsen:** To assist them or to make a final report?

I remember quite well, sir, being in a room with you in Napanee, Ontario — the courthouse, remember? — where you told all the municipalities that if they didn't get it done by a certain date, and the date escapes me, you were going to appoint a commissioner and whatever that commissioner decided was going to be final, and that in that case you couldn't even alter the commissioner's report yourself.

**Hon Mr Leach:** I don't have the authority to do that. Under the legislation we can only appoint a commissioner if the municipalities request one.

**Mr Gerretsen:** Right. That isn't what you told them there, sir. You said you were going to appoint a commissioner, and if they didn't amalgamate by a certain date, then in effect you were going to have the commissioner do it.

**Hon Mr Leach:** What I said at that meeting is starting to come back to me. That was in Napanee. I recall that very clearly now. What they said was that they were having difficulty reaching a consensus among the municipalities. I said that I was sure they would prefer to reach a decision among themselves rather than having a commissioner appointed.

**Mr Gerretsen:** Exactly.

**Hon Mr Leach:** That's exactly what I said.

**Mr Gerretsen:** How can you say from that, sir, that these amalgamations were done around the province without government input? That's what you said about an hour ago or half an hour ago.

**Hon Mr Leach:** They were. There were hundreds of municipalities amalgamated.

**Mr Gerretsen:** That's right, and it was all done as a result of a government initiative.



**Hon Mr Leach:** Only in four or five instances was there even a request for a commissioner, or was there a commissioner appointed, I should say. There were a number of other requests.

**Mr Gerretsen:** But the municipalities knew quite well that if they weren't going to do it voluntarily, then you, or through a commissioner, were going to do it for them. That was the whole idea behind the legislation.

**Hon Mr Leach:** It didn't happen in Hamilton; it didn't happen in Ottawa.

**Mr Gerretsen:** No, because you backed off in those two situations.

**Hon Mr Leach:** It didn't happen in Haldimand-Norfolk; it hasn't happened in Kitchener.

**Mr Gerretsen:** Sir, to suggest that it was done without government input stretches the imagination beyond any possible —

**Hon Mr Leach:** Certainly we have provided whatever assistance the municipalities required to help them and assist them in amalgamation. We were always there, either through the political process or through the staff process, to make sure that whatever help they needed in achieving the benefits of amalgamation was known and recognized and that they were helped. But as far as mandating that amalgamations take place, Bill 26 just doesn't allow for that. That can only be done at the specific request of the municipalities.

**Mr Gerretsen:** It's my suggestion to you that the government was very happily involved in the whole process, because you after all passed Bill 26, which started it off.

**Hon Mr Leach:** Certainly we were heavily involved.

**Mr Gerretsen:** Okay, then don't say that it was done without government input.

**Hon Mr Leach:** We were certainly heavily involved. We provided the leadership that this province has needed for years to reduce the overlap and duplication that existed in municipalities. So if you want to say, can the province take credit for the amalgamations that have taken place over the past year, I would say yes. I'd love to take credit for all of that, because it was through the leadership of the province that we pointed out to various municipalities that there were savings to be achieved for the taxpayers. There is only one taxpayer, and if by amalgamation and getting rid of — in Prince Edward, for example, by going from 21 municipalities to one there were huge savings and certainly we encouraged them to do that. But they did it on their own initiative, with our encouragement, without a doubt.

**Mr Gerretsen:** I see. I think the interpretation around the province is somewhat different. There was more than encouragement involved.

Let me ask you something else. Mr Eves said something very interesting in the House yesterday, that about a third of the municipalities had no tax increase, another third had less than a 5% tax increase and the other third presumably had a tax increase of more than 5%. On the assumption that the new market value assessment system is revenue-neutral as far as each individual municipality is concerned, would you not agree with me that if two thirds

of the municipalities had tax increases, and half of those higher than 5% over the previous year's increase, the whole downloading exercise was not revenue-neutral, and that certain municipalities are paying a lot more now? Otherwise, they wouldn't have the kinds of tax increases that they've got.

**Hon Mr Leach:** There were a couple of municipalities that had tax increases. For example, I think in Markham there was a 7% or 7.3% increase in property taxes this year because of growth in that community. They said they had to raise taxes to provide the infrastructure to accommodate the growth that was occurring, because they're in a big-growth area. There are some municipalities like that. None of the tax increases that occurred in a third of the municipalities that may have had them were in any way, shape or form associated with the assessment process.

**Mr Gerretsen:** That's right. The assessment process presumably is neutral in each municipality, but how about the downloading exercise?

**Hon Mr Leach:** We very publicly said and pointed out to the municipalities the savings targets they would have to be revenue-neutral. For many municipalities I think it was 1.7%, some were 3.2% and I think the others were 4%.

**Mr Gerretsen:** If their tax increase is more than 5%, it's because of their own situation, their own mismanagement or whatever.

**Hon Mr Leach:** I'm not saying that it's mismanagement. In some instances it's necessary to raise taxes to pay for needed infrastructure that takes place. The duly elected councils in those municipalities know what's in the best interests of their citizens. If the small minority that felt they needed a tax increase to provide services voted to do that, that's their business, but it wasn't as a result of actions by the provincial government.

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**Mr Gerretsen:** Let me ask you about the restructuring fund. There's \$65 million set aside for that.

**Hon Mr Leach:** It's \$70 million, I think.

**Mr Gerretsen:** I'm looking at page 98; it says \$65 million, municipal restructuring fund. If there is some other money somewhere else, that's fine. Could you give me the exact amount of money that was applied for by all the municipalities that have done restructuring? What is the total amount of the applications?

**Hon Mr Leach:** I don't have the number; I'm quoting these off the top off my head. The number I recall is that we had \$70 million in the restructuring fund, and that \$70 million paid for 75% of the eligible items that municipalities asked for.

**Mr Gerretsen:** The municipalities were to pick up the other 25%, that's what you're saying.

**Hon Mr Leach:** Yes. So that would be \$100 million, perhaps, something like that.

**Mr Gerretsen:** If a municipality like Kingston is short \$9 million — and I think they've written you letters on this; I'm not sure how much they got from you, but I think it was something like \$13 million or \$14 million. As a matter of fact, they have put one of your own officials, a



Mr Gardner Church, who is still listed as your consultant for the Seaton project — you've put him in a heck of a position, because he was hired by the city of Kingston to look after the amalgamation on the theory and on his promise that he would bring the money in from Toronto. He was going to make sure. He had all the contacts, all the connections etc. They're \$9 million short. You've put Mr Gardner Church, who is the senior adviser in your department, in a heck of a position. He said he was going to bring all this money from Toronto, and now he's not living up to it. Why aren't you giving the city of Kingston the \$9 million they've asked for?

**Hon Mr Leach:** We've given the city of Kingston \$14 million to assist in restructuring.

**Mr Gerretsen:** Their total restructuring costs are something like \$30 million. They figure they are still about \$8 million to \$9 million short. You're not living up to your commitment as far as they are concerned. Mr Church is looking very bad. There are editorials written about him and everything. Here is the man from Toronto who was going to see it all done the right way. He's bought a farm in Sydenham. It's just a horrible situation.

**Hon Mr Leach:** The decision to employ Mr Church to assist in the restructuring in the city of Kingston was a decision made by the city of Kingston. Mr Church was not sent to Kingston by the province of Ontario. They recognized Mr Church's expertise.

**Mr Gerretsen:** It's amazing how the same situation plays out differently, then, because in Kingston a lot of people have the impression that he was sent down by the province to sort of make it happen and he was going to make sure that the city wasn't going to suffer.

**Hon Mr Leach:** I am quite confident that it's the city of Kingston that is paying his salary. They hired him. They recognized the expertise that he has in municipal restructuring. He is a very competent individual. I know he will do a fine job for them.

**Mr Gerretsen:** He has sent you a letter and the mayor has sent you a letter where the same Mr Church has documented all the restructuring costs, and he's saying, even after you take the 25% local contribution into account, they're short \$8 million to \$9 million, and, "Minister Leach, please send us the money." Are you going to live up to your commitment to the new city of Kingston that was contained in the initial amalgamation agreement to actually pay for these costs above the 25% local contribution and send the \$8 million to \$9 million and make Mr Church once again look redeemed in the eyes of Kingstonians?

**Hon Mr Leach:** We're reviewing the city of Kingston's request for additional funds to see what those funds are required for and whether they are eligible costs under the restructuring proposal.

**Mr Gerretsen:** Mr Church is still listed as one of your advisers. He says they should be eligible.

**Hon Mr Leach:** He's working for the city of Kingston at the present time, and he's representing his employer to the best of his ability.

**Mr Gerretsen:** But he also works for you, because I see him here on the organization chart. This is one of your own officials who is saying, "Yes, this \$9 million is eligible for restructuring." Will you give us a commitment right here and now that you will pay that money to the city of Kingston?

**Hon Mr Leach:** He might have been employed at the beginning of the year, but Mr Church has retired from the provincial government. He is now employed by the city of Kingston.

**Mr Gerretsen:** Wait a minute now. Then your charts here are wrong.

**Hon Mr Leach:** These are the estimates as of April 1.

**Mr Gerretsen:** No, the estimates for this year. He is shown, Seaton interim planning team, Gardner Church, special adviser. He is right below Dan Burns, remember your former deputy minister? He's right in there.

**Hon Mr Leach:** Just as there was a former deputy, there's another person in Mr Church's place. Things change from April 1.

**Mr Gerretsen:** Would you agree with me that when he sends you a letter or when a letter is prepared on behalf of council on his financial figures, you, knowing the gentleman and the excellent work he's done —

**Hon Mr Leach:** Are you saying that I should just accept a letter sent by an employee of the city of Kingston saying, "Send me \$9 million," and I should just say, "OK, here's the cheque"?

**Mr Gerretsen:** No, but the letter was endorsed by council and they've got everything with it etc, all the attachments to it. Will you take a look at that?

**Hon Mr Leach:** That's the difference between your government and our government: We feel it's prudent to investigate each one of those requests for additional funds.

**Mr Gerretsen:** Unfortunately, I've never been in government here.

**Hon Mr Leach:** And you never will be.

**Mr Gerretsen:** I hope to one day.

I want a commitment from you that you will take a look at this again so that you can help out not only Mr Church but the taxpayers of the city of Kingston, who are saying the whole restructuring process has cost them \$9 million. Remember the 3% max in Pittsburgh and Kingston township? According to the restructuring agreement, which has your name as a signatory, it says those people weren't going to be paying more than 3% of an increase. Some of those people, and not as a result of market value reassessment, are paying 10% to 20% more, and they can't understand it. Their assessment has gone down, their total tax bill has gone up. They feel that this government isn't living up to the commitment it gave in the agreement you signed with the transition team at the time.

**Hon Mr Leach:** I can tell you that this government will live up to any signed agreement that we have.

**Mr Gerretsen:** You will take a look at the \$9-million request, then, and look at it in a very favourable light. I am sure we will hold a special day in your honour if you send us the money.

**Hon Mr Leach:** As a matter of fact, I think they're doing that tomorrow.

**Mr Gerretsen:** Are they?

**Hon Mr Leach:** Yes. I'm going down tomorrow.

**Mr Gerretsen:** Oh, good. We'll see you there.

**Hon Mr Leach:** I'll talk to the mayor and council about that.

**Mr Gerretsen:** That's good. Do I have some more time?

**The Chair:** You have a few more minutes, Mr Gerretsen. You have about four or five minutes.

**Mr Gerretsen:** Could you give me the total amount of all the applications you received under this restructuring program of \$65 million? I know municipalities were supposed to pay 25% and you were to cover the 75%. What was the total amount you received by way of applications?

**Hon Mr Leach:** The number you're talking about, the total amount of submissions, if you want to talk about the total amount of eligible costs, that's one number, but there were some municipalities that sent in a wish list of expenditures that they would like to have. It was very quickly pointed out to them that they might be very nice to have, but they are not eligible items under the restructuring program. There were municipalities that went for everything from building a new city hall to repainting all the equipment in the municipality on day one. We indicated to them that they were not eligible expenses under this program; the repainting, for example, should be phased in as equipment is replaced. But we can provide you with the total amount of eligible costs that was asked for.

**Mr Gerretsen:** What I'm getting at is that one gets the feeling that some of this restructuring money has been handed out to the various municipalities in a very haphazard way. I'm not for a moment suggesting that the figures haven't been checked or anything like that, but some municipalities should have got 100% of what they were looking for and others should have got much less than that. I'm just wondering why this is happening. Were there political considerations that went into this?

**Hon Mr Leach:** No. That's very easy to respond to because, as I pointed out, some municipalities fully complied with the requirements of the program and only submitted a request for what were eligible items. Other municipalities took the position of: "Let's throw this on the plate and see if any of it sticks. If they include it in the program, we'll be better off." But we didn't. We were very clear as to what was eligible and what was not eligible, and we very quickly pointed out to those municipalities that sent in a wish list of requirements that they were not eligible. They may be saying, "We sent in a request for \$1 million, and we only got \$100,000." That's because only the \$100,000 was eligible under the program. Other municipalities sent in their request for the \$100,000 and got it all, because they complied with the requirements.

**Mr Gerretsen:** Let me ask you this, because I know I'm going to get cut off by the Chair. He's very punctual about these things.

**Hon Mr Leach:** It's after 6 of the clock.

**Mr Gerretsen:** They're still talking in the House too, so that clock must be fast.

You gave Toronto a commitment of a \$100-million loan program if they needed it. Are you willing to make that same commitment to every other municipality that is short as a result of the restructuring?

**Hon Mr Leach:** You want me to give \$100 million to every municipality?

**Mr Gerretsen:** No, no. Will you enter into a loan program with them for the amount they're short? Why are you treating the city of Toronto differently from other municipalities that, proportionately speaking, have exactly the same financial problems that Toronto presumably has? That's reasonable, eh? You give a loan program to one place, you can give it to another. I think we're going to get the \$8 million right now.

**The Chair:** You've got 30 seconds to do it.

**Mr Gerretsen:** Are you making that loan program available to other municipalities that are in need as well?

**Hon Mr Leach:** There are a couple of different sets of circumstances that apply with the city of Toronto. In the city of Toronto we did pass legislation creating the new city. As a result, we said that as that was caused by provincial legislation, we would provide some assistance to them. We did flow \$50 million in a grant to accomplish that. But I would also like to point out that the city of Toronto is 25 times the size of the city of Kingston.

**Mr Gerretsen:** I'm not talking about size. There are some other municipalities that are short as well. Are you making the same loan program available to them or not?

**Hon Mr Leach:** If we go on a per capita basis, the city of Kingston should probably be sending us money back.

**Mr Young:** On a point of order, Mr Chair: Is not the session over?

**The Chair:** We are finishing up, as we have for each of the parties, in a way that allows them to answer.

I think, Mr Gerretsen, you have the substance of your answer from the minister, if I'm not mistaken. Is there anything the minister would care to add?

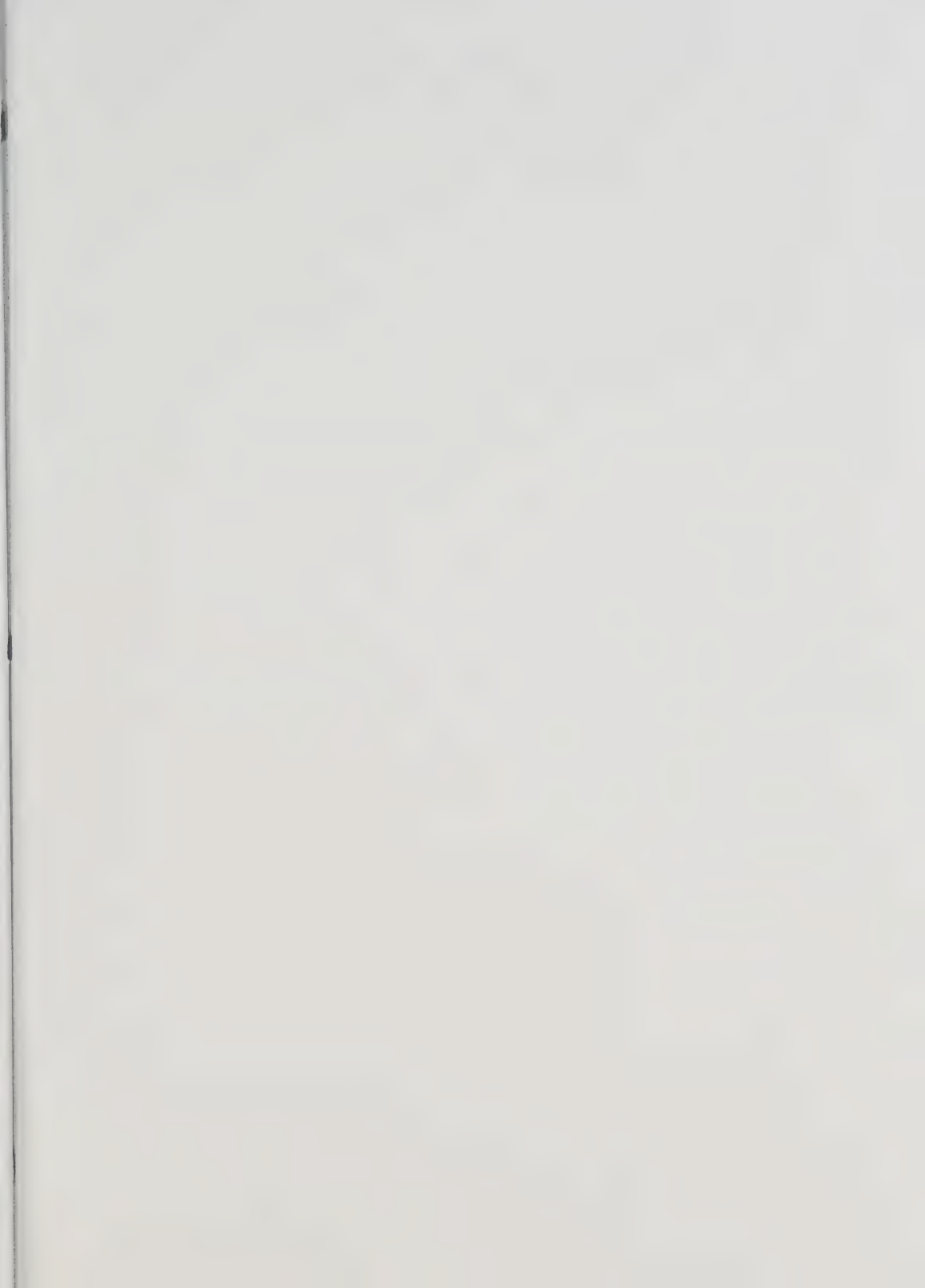
**Mr Gerretsen:** I think you are mistaken.

**The Chair:** I think we can end on that note.

**Hon Mr Leach:** We will make sure that every municipality in Ontario is treated with fairness in comparison of one to another. There will not be one municipality that is treated any less or any more fairly than any of the others.

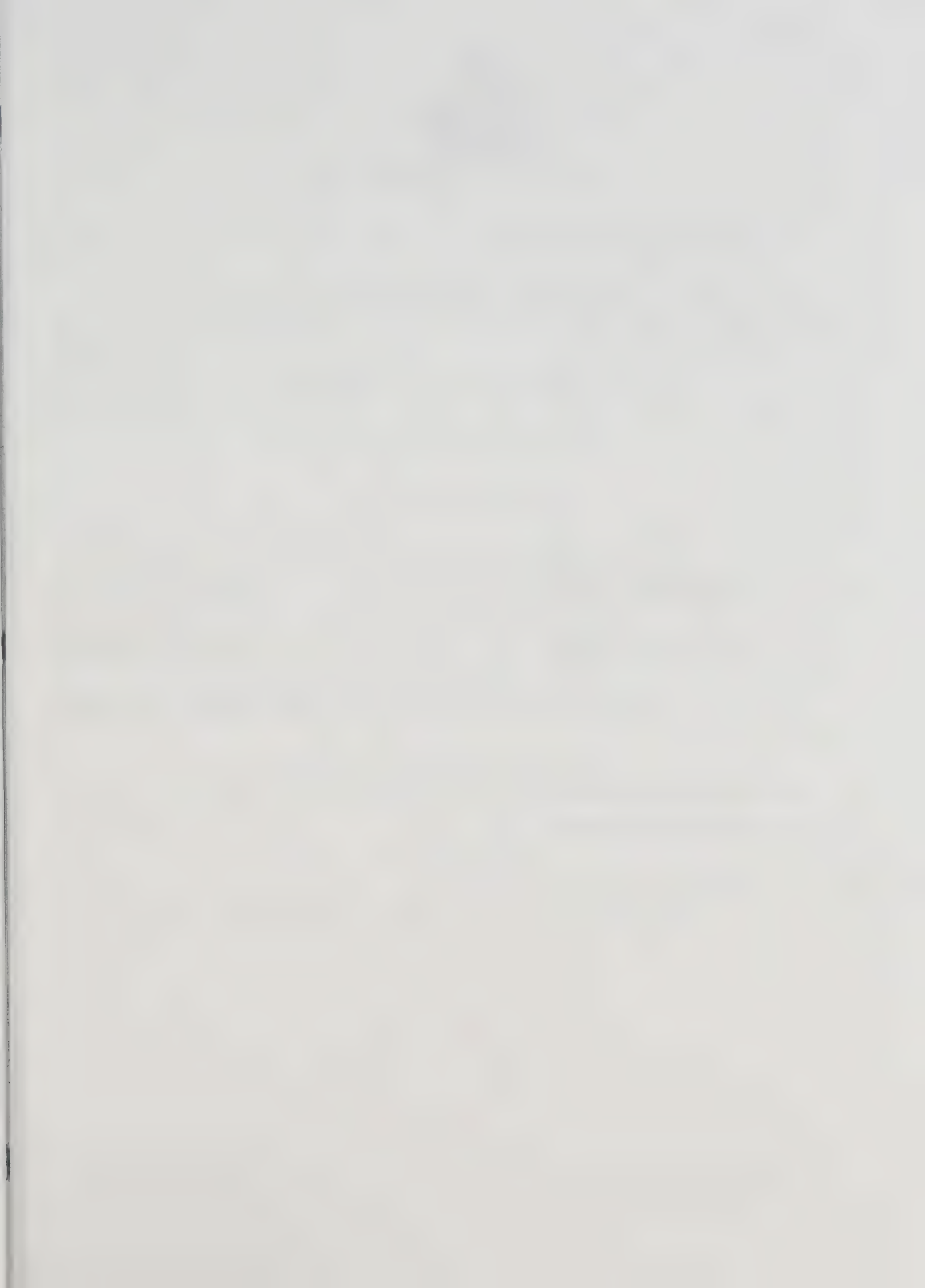
**The Chair:** Thank you, Minister. On that note, we stand adjourned until 3:30 on Tuesday. See you there.

*The committee adjourned at 1804.*









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## Legislative Assembly of Ontario

Second Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 6 October 1998

# Journal des débats (Hansard)

Mardi 6 octobre 1998

**Standing committee on  
estimates**

Ministry of Municipal Affairs  
and Housing

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires municipales  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 6 October 1998

Mardi 6 octobre 1998

*The committee met at 1548 in committee room 2.*MINISTRY OF MUNICIPAL AFFAIRS  
AND HOUSING

**The Vice-Chair (Mr Rick Bartolucci):** Ladies and gentlemen, can we call the meeting to order. We have an hour and 34 minutes. We're going to start our rotation with the third party, who have 20 minutes.

**Mr Gilles Bisson (Cochrane South):** Thank you very much. They're going to get a mike here eventually.

Chair, just a question of process: I've got 20 minutes. Will it come back around to me the second round?

**The Vice-Chair:** Yes: 20, 40, 60, so yes, it comes back to you.

**Mr Bisson:** One of the mayors in northern Ontario was just on my cell phone, wanting me to ask the minister a question. I've got to get back to him, but I'll get the ones I've got now.

Minister, I'm not going to go through a lot of preamble. I've got a number of specific questions I'd like to ask you regarding the transfers to municipalities. As you know, a lot of questions are being asked by municipalities. They need a bit of clarification. In light of that, I'd like to get on the record some answers to questions that have been put to me by municipal councils throughout our area of northern Ontario and also from other areas.

Let's start with this: In regard to the CRF fund, a number of municipalities have asked me if you're going to be continuing the special circumstances fund and the transitional assistance to the CRF next year, if you can give us an answer on that.

**Hon Al Leach (Minister of Municipal Affairs and Housing):** The CRF is going to continue. I think the Treasurer made that announcement at AMO.

**Mr Bisson:** We know the CRF will continue; that's not the question.

**Hon Mr Leach:** The special circumstances fund is still under consideration. At this point in time, I couldn't commit that it would be, but I also would not indicate that it wouldn't be. We're still dealing with that.

**Mr Bisson:** We know the CRF is going to continue; that's a yes, obviously. But the special circumstances fund: You don't know at this point, is what you're telling us?

**Hon Mr Leach:** We haven't made a decision on that yet, but that decision will be forthcoming shortly. We

recognize the need for municipalities to start their 1999 budgeting processes as soon as they possibly can, and we want to ensure that they have all the information they need to start that process.

We also recognize that 1998 was a unique and different type of budget year, with the number of changes that were made to the municipal process through restructuring and through amalgamations in some areas. We want to assure municipalities that we want 1999 to be a period of stability. We're going to do everything we can to accommodate that.

**Mr Bisson:** Specifically to the special circumstances fund, do we have a sense of timeline? Will it be within the next 30 days, 60 days, 90 days?

**Hon Mr Leach:** We will advise municipalities as quickly as we possibly can. I'm reluctant to give a specific time frame.

**Mr Bisson:** What would be the latest that municipalities would get an answer?

**Hon Mr Leach:** All I can say is as quickly as we possibly can. I recognize the need for municipalities to have that information as soon as they can. As soon as we can deal with that, within our caucus and with our cabinet, we'll get back to the municipalities.

**Mr Bisson:** You also funded this year some transitional assistance to municipalities to offset some of the costs of moving a number of services over to the municipalities and other reasons. Is any of that transitional assistance going to be continued in the next budget year?

**Hon Mr Leach:** In some instances, there were multi-year commitments to that transitional funding: on roads, for example. Obviously, those commitments would be honoured and that funding will be there for next year.

**Mr Bisson:** What about on others? Are you aware of any others that'll continue?

**Hon Mr Leach:** Again, the decisions for funding on 1999 have not been finalized yet, other than that we had indicated to the municipalities that we would keep the CRF money coming and that we would also examine the final numbers at the end of this year; and we made a commitment to the municipalities that if there was underfunding this year as a result of changes in the number, we would cap their funding up, and that if there was an overfunding as a result of the numbers being lower than we had indicated, we wouldn't claw that money back from municipalities.



**Mr Bisson:** So again, no sense of when the decision — there's no out date in terms of when those decisions will be made on any of those transitional or special circumstances funds. You're not prepared at this point to give us a date about when the latest is that we can expect an answer.

**Hon Mr Leach:** All I can say is the decision hasn't been made yet. We'll make it as quickly as we can and get back to them.

**Mr Bisson:** I am not going to stay on this, other than to make this one point. I don't want to be combative, but I tell you, there's a lot of frustration with the municipalities I've been dealing with about their not knowing what's going to happen for the next budget year. They've already had enough problems with that this year, and they're feeling extremely frustrated about what all this means for the second year.

But you've heard it directly from the municipalities. I will echo those comments back to you that I got on the phone, some of which I would not repeat here. Some of the things that were told to me by municipalities on the phone about what's happening, I don't think I'd want to repeat in the Legislature.

**Hon Mr Leach:** It must have been complimentary to the government.

**Mr Bisson:** They were very far from complimentary, I guarantee you.

The second question: On the whole issue of reassessment, there are two sides to every story and then there's mine, right? But on reassessment, here's a question I've had from a couple of municipalities, and maybe you can give an answer on this. I don't need to explain the issue to you; you understand quite well what has happened. But I would ask you this: There have been a number of errors in regard to the assessment of value on property. People have successfully gone back and had some of those properties reassessed, and subsequently the valuation of those properties has been lowered, rightfully so. The municipalities are asking me, are they going to get some additional funding from the province to offset the money they lose in the lower valuation of property as a result of appeals? I think I know the answer, but I'd like to have it.

**Hon Mr Leach:** That's a question that probably should be addressed to the Treasurer of the province. From my understanding of the process, appeals of assessment happen not only this year but every year.

**Mr Bisson:** Oh, yes, it happens all the time; we don't argue with that.

**Hon Mr Leach:** If there is a decrease in an assessment as a result of the appeal, that's a matter for the municipality to deal with.

**Mr Bisson:** But, Minister, you would also be somewhat sympathetic, I would hope. Because of the changes to the assessment system and the reassessment of all properties across this province, a number of people have seen their property assessment values go up. They've gone to appeal — we're getting record numbers of appeals — and as a result, some of them, unfortunately not enough of them, are winning their appeal and having their assess-

ment lowered. The reason the municipalities ask is because this is impacting the bottom line, the revenue they have, because those appeals are being won, so it means they have less money coming in.

**Hon Mr Leach:** There are three parts to the equation, as I know you understand. There's the pot of money that the municipality has to collect to pay for the services it delivers; there's the assessed value on all the properties; and there's the tax rate that's set. If one of those variables changes, it affects the other two. All three of those are within the total control of the municipality. If the assessed value of the properties decreases and they still require the same amount of money to provide services, they increase the tax rate. If the assessment increases and they still require the same amount of money, they can decrease the tax rate. But all those decisions to deal with any of those three parameters rest solely with the municipality. That's what a municipality is there for, to determine the amount of money that's required to provide the level of service that their taxpayers want.

**Mr Bisson:** Again on the issue of assessment, one thing I've been noticing is that, not strictly because of the increases municipalities have passed on to their taxpayers because of the downloading, and not strictly because of the higher valuation of property and the result to the new assessment system, we've seen people's property taxes, especially in the commercial sector, go up by as much as 130% over last year. I've seen it in businesses in our community of Timmins, I've seen it up in Mattice, I've seen it in Kapuskasing and different communities up in our area, where the commercial sector — that's people like you and me — who happen to operate a business, often family-run businesses, were seeing their overall tax go up by 130% over last year. The simple question I have of you is, do you think that's fair?

**Hon Mr Leach:** In the commercial sector, if someone's taxes went up, somebody else's taxes went down. We recognize that there may be shifts within the commercial area, and that's why we gave municipalities tax tools to deal with that. They had the ability, for example, to tier taxes within the commercial sector, to protect small businesses, to have one tax rate for small business, one for medium business and one for large business, if they so desired, if they felt that would help businesses in their community. They had the ability to cap tax increases at 2.5% to protect against substantial tax shifts from one business to another. All those tools were available to the municipal councillors to implement. If there is a business in your community whose taxes are increasing by a substantial amount, it's because there's another business in your community that's getting a substantial reduction. But the municipality had the tools and the ability to smooth those shifts, those increases and decreases, to phase them in over a period of time.

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**Mr Bisson:** Vis-à-vis the assessment.

**Hon Mr Leach:** Yes, and the tax rates.

**Mr Bisson:** But the problem we're starting to find is that it's not strictly a question of assessment. I'll just give

you an example: For Bupont Motors on Riverside in downtown Timmins, the assessment increase over last year is somewhere around 30% on the overall valuation of the property, yet his property taxes are going up by over 100%. We know the municipality has only increased the taxes by 2.5% over last year, so it would stand to reason that his property taxes should not have gone up more than about 30% if it was strictly a question of valuation and of the municipal government increasing taxes. People like Bupont Motors, Chenier Motors, the Timmins Garage, the Toyota dealership, all of those people, are seeing their assessment go up by 127%. They're talking to their municipal government, who are saying, "Yes, it's true, we could have capped," as you have said, the taxes due to the assessment shift, but it's far more than just assessment. It would appear a whole bunch of other factors come into play which are seeing these people, quite frankly, having to make some decisions about who they're going to lay off this year.

**Hon Mr Leach:** You're absolutely right. There were a whole lot of other factors to take into consideration. There were various classes. That's why we increased the number of classes within the commercial sector to seven so that municipalities could actually smooth out the shift in taxes from large to small businesses by setting up as many as seven different classes, and within each one of those classes they could have tiers.

**Mr Bisson:** I understand that.

**Hon Mr Leach:** All the tools were there to allow municipalities to level out the tax increases over the entire commercial envelope to make sure that somebody didn't get 100%.

I would suggest to you, your question back to your municipal leaders is, why didn't they take advantage of all the tools that were made available to them?

**Mr Bisson:** The simple answer is that it's not just the cap.

**Hon Mr Leach:** It's not only the cap; there are more tools than the cap.

**Mr Bisson:** Let me ask you this: Vis-à-vis the different classifications within that particular tax rate — not rate, but anyway — we see, for example, the Bank of Nova Scotia at Pine and Third in Timmins going from about \$120,000 in municipal taxes last year down to somewhere around \$30,000. The bank, which last year made a few dollars, I believe — I don't think they lost money at the Bank of Nova Scotia last year; if they did, I stand corrected — is seeing their actual taxes paid go down by almost \$100,000 from last year. On the other hand, people like Urgel Gravel, people like Rick Chenier, the Masciolis and others in our community, who, as you and I do, work hard for their dollars, are seeing their property taxes go up as a result of the shift that you talk about within the classifications and the assessment system that has been imposed.

The simple question I ask you is, do you think it's fair that the Bank of Nova Scotia sees its assessment come down by \$100,000 as compared to a car dealership in downtown Timmins that sees their taxes go up by 127%?

**Hon Mr Leach:** No, I don't think it's fair, and that's why we gave the municipality the ability and the tools to ensure that that didn't happen. Again I suggest you go back to your municipality and ask: "Why didn't you set different tax classes within the commercial sector? Why didn't you tier those in? Why did you allow the bank to get a \$130,000 reduction while somebody else is getting a \$130,000 increase?" They had the ability to phase that in, to level that off, so that the new tax assessment system, which I think everybody agreed was necessary —

**Mr Bisson:** No.

**Hon Mr Leach:** Well, the tax assessment system in the province of Ontario was recognized by everybody —

**Mr Bisson:** We had market value up in our area for a long time before ever you got to it.

**Hon Mr Leach:** — in this province as being totally out of whack and totally unfair. The municipalities were given the tools and the ability to ensure that tax shifts within a class, within the commercial class in particular, could be smoothed out to avoid any of those major shifts that are affecting some businesses very badly. They have the ability to fix that.

**Mr Bisson:** But it's your ministry and your cabinet who made the decision that we were going to change the assessment system in the first place, create new classifications, rates within the classifications, change the assessment system overall, download the services on to the municipality. For you, as the Minister of Municipal Affairs, to sit here and say, "Your municipalities had some tools that they could have used to try to protect them" — hell, what they needed protection from was you. That's what they needed. That's what they didn't get. What's you've actually done is downloaded —

**Hon Mr Leach:** What you're saying is that —

**The Vice-Chair:** Minister, just a second. Mr Bisson, can you finish your question?

**Mr Bisson:** The point I make is they needed protection from you. To bounce the ball back into the municipality and to say it's all their fault I think is grossly unjust. The municipalities, yes, have some decisions that they could've made, such as not to increase municipal taxes by 2.5% this year, but they hardly had a choice given everything that your government has done.

I come back to the point, do you think it's fair for local businesses in our community, as in many others, I'm sure, to see their municipal taxes go up by over 100% over last year?

**Hon Mr Leach:** Absolutely, I don't like to see that, and there was no need for it. As a matter of fact, we have a meeting coming up with AMO tomorrow morning where we will be discussing the possibility of reopening the issue to allow municipalities to go back and revisit the decisions they made. In defence of the municipalities, some of them made decisions without recognizing the extreme effects that some of the decisions they made were going to have, because it was a new taxation system, a new assessment system. There wasn't any doubt about that.

**Mr Bisson:** And some of the information wasn't available.



**Hon Mr Leach:** There were some decisions made that, when they look back at it in retrospect, they say, "Oh, my God, we didn't realize that the shifts were going to be of this magnitude." So we're talking with AMO, we're meeting with municipalities. One of the options that will be available to them would be that we'll —

**Mr Bisson:** You'll reopen the cap issue?

**Hon Mr Leach:** — give them an opportunity to reopen the cap, to reopen the tools that were made available to them originally so that they can correct some of the inequities that were created.

**Mr Bisson:** Can I ask you this: If you reopen the cap issue, that'll fix part of the problem in the commercial sector, but who's going to offset that increase in taxes that'll be needed at the residential sector?

**Hon Mr Leach:** That's the point we're making. It's the municipalities that determine the pot of money they need; it's the municipalities that determine the tax rate that they set; it's the municipalities that determine what sector pays for it, whether it's residential, commercial or industrial.

**Mr Bisson:** All you're doing is you're offloading on to another part of the tax base. If you freeze the commercial taxes under the cap — and I'm sure the people who own commercial property will be happy if that happens — what it means is that you've got to get that lost revenue from somewhere else. Municipalities will be forced, because of your actions, to offset —

**Hon Mr Leach:** Not because of our actions.

**Mr Bisson:** — because of your actions, to offset that loss against residential property, which means now Urgel Gravel and Jim Mascioli and others at home will end up having to pay for that tax in another way. It seems to me somewhat counterproductive. Why not try to find some other longer-term solution?

**The Vice-Chair:** We'll move over to the government side for their 20 minutes.

**Mr Ed Doyle (Wentworth East):** I'd like to continue with some of these questions that Mr Bisson started. I wonder if you could explain if you feel municipalities fully understood some of the things that they were doing. There were plenty of courses available to the municipalities and seminars, were there not, for them to attend? Can you tell us how many answers may have been available to them at fairly early dates?

**Hon Mr Leach:** There was a lot of information provided to the municipalities over the course of the last year. There were also a number of municipal seminars that were put on by the Ministry of Municipal Affairs staff right around the province as a matter of fact. Close to 1,000 municipal politicians attended those seminars to make sure that they appreciated the changes that were being made.

Having said that, there were some decisions that were made by some municipalities that, if they had an opportunity to revisit, they would probably make a different decision. I don't think they fully appreciated the magnitude in shifts that would take place as a result of the change in the assessment system.

It's a delicate issue; there isn't any doubt about that. If the municipality cuts taxes in one area, it's going to have to raise taxes in another area, and to try and find that balance between residential, commercial and industrial is not an easy job. I have a lot of sympathy for the municipal politicians who have to deal with that issue, but let's be realistic: That's why municipal councillors are there. They determine the level of service to be provided to their citizens. They determine the amount of money they have to raise to pay for those services and they determine which class pays for what services. All of the decisions that are required to look after that rest with the local politician.

**1610**

We've tried to provide as many tools and systems to allow them to make those decisions, to ensure that the shifts in assessments from large to small can be phased in over a period of time, or capped in some instances. We're still prepared to sit down and talk to the municipalities, talk to the municipal sector, to say, "If you don't want to revisit this, if you feel there's a need to go back to the 1998 tax systems or to address it and correct it in 1999, we're prepared to sit back, review the tool box that was available, re-open that tool box and make them available to you again," or even add new ones if there are suggestions from the municipality that new ones might be necessary.

**Mr Doyle:** I ask the question because I sometimes get the impression that perhaps they didn't fully understand all the tools that were available to them. I had two constituents call me and say to me that they had been informed by a municipal councillor that the tax rate at the municipal level was set by the province. If they understand things that way, I question if they fully can grasp what's been happening here.

**Hon Mr Leach:** That's a partially correct answer, because the education tax rate is set by the province. The municipal tax rate is set by the municipalities.

Now, one thing that your constituents can be sure of, and we've made the commitment and we'll live up to the commitment, is that the education tax rate was frozen this year, the education tax rate will be frozen next year and the education tax rate will be frozen for the year after that. So your constituents can rest assured that the education tax rate or the taxes collected for education by the province of Ontario will be frozen for the next three years. They have that assurance that there's some stability there. With respect to the tax rate set for municipal purposes, that's an issue that their local councillors should deal with.

**Mr Terence H. Young (Halton Centre):** In my region of Halton, which I'm sure you're familiar with, I've analyzed it every way I can and there is a lot of duplication in municipal government, I guess as elsewhere. For instance, the town of Oakville has a planning department, as do the other towns, as does the level of regional government. When you call 911 to your house, you get an ambulance from the province, you get a police vehicle from the region and you get a fire truck from the town.

There are other duplicated departments. They have two big buildings full of municipal civil servants. They don't



do any joint banking, as they do in Renfrew, where they save I think \$50,000 a year doing joint banking. But I wanted to ask you, what roadblocks do they have, if any, to reinventing government at the municipal level in my region?

**Hon Mr Leach:** We have indicated that regions were excluded from Bill 26, which allowed restructuring to take place in the county system throughout Ontario. We have indicated to the regions, though, and certainly specifically to Ottawa and to Hamilton-Wentworth that if they come up with a triple majority, which is the majority of the lower-tier municipalities, representing the majority of the population, and if that decision is concurred in by the upper tier, the province would implement any changes in governance that they felt was appropriate. That situation and that commitment would be made to Halton as well.

**Mr Young:** You see, our regional chair is on record saying that most of what they do, or 85% of what they do or what they spend is just writing out cheques; that is, the services are demanded by provincial legislation anyway. They have a level of government which is there basically just to make decisions with regard to 15% of what they do. It seems like an awfully expensive way to do things. I think it's something that we have to constantly review, so that's what I will be encouraging.

**Hon Mr Leach:** There isn't any doubt that in many parts of Ontario we are over-governed. Each of the regions is different. Each has its own unique situation. Halton did some restructuring, I think, with the creation of Halton Hills a few years ago.

**Mr Young:** The towns also do some joint purchasing, which is wise. They get together with the school boards, actually, and do joint purchasing, which is very admirable. But a lot of my constituents have said to me that they're really fed up with the finger pointing. I don't mean that municipal politicians in Halton haven't worked hard, because they have, but at every public meeting you go to they're talking about downloading, downloading. The taxpayers are saying they're fed up hearing about it, that they expect us, meaning provincial-level politicians and municipal politicians, to work it out and to make it work better. That's what I'll be encouraging. Do you have any comments on my role as a local MPP?

**Hon Mr Leach:** Obviously you are working very closely with the local politicians, and that takes place not only at the lower-tier but at the upper-tier as well. It was a difficult year for municipalities; there isn't any doubt about that. This government had an agenda to get rid of waste and duplication and to bring fairness and equity back into the tax system. All of those things we've done and we've implemented, but it wasn't without a great deal of hard work and a great deal of concern for some municipal officials as to how they were going to cope with different changes.

As far as the changes being revenue-neutral, the trade that we made in the delivery of services vis-à-vis the tax room that we created by taking 50% of education was revenue-neutral. We did, though, eliminate the municipal support grant, and when we took the municipal support

grant away — which we advised them in 1995 would happen, by the way, and it would be phased out over three years — we said that to make the whole package revenue-neutral, you were going to have to find tax savings of somewhere between 1.4% and 4.2% depending on the municipality. So they were fully aware that some belt-tightening was going to have to be done, as is being done with all levels of government.

Certainly with our government, when you were faced with an \$11-billion deficit that you had to get rid of, and knowing that 70% of your costs were in transfer payments, it doesn't take a rocket scientist to figure out that the municipalities were going to have to be part of the solution to get rid of that deficit.

**Mr Young:** The town of Oakville has done a good job. Their tax increase is 0.14% —

**Mr John Gerretsen (Kingston and The Islands):** Gary Carr did a good job at that.

**Mr Young:** — which is basically zero per cent, but the region did bring in a tax increase. As I say, the taxpayers are fed up hearing about the finger pointing. It's like they feel they have arrived, that this is it: "This is the absolute best we can do and we're going to take another look at it next year." What I've said to them is that you could never stop trying to look for better ways to provide services cheaper, that government is a process and that there's no time when you say: "OK, that's it. We've done our best. Here's your tax increase," and then say, "Let's see what's happening next year." We have to keep working to find ways to provide services better. That's my message to them. Is that —

**Hon Mr Leach:** Absolutely. We all have to look for ways of getting rid of inappropriate spending. That's not saying that anyone goes out to intentionally spend money inappropriately, but there are lots of ways to save money. Some of the municipalities that have amalgamated in restructuring, for example, are good examples of where there are savings to be made. Prince Edward county, for example, realized \$300,000 in savings just on their insurance rates for municipalities. Chatham-Kent is a very similar situation, where by collectively looking at the provision of services they were able to cut costs.

With dollars being as scarce as they are at all levels of government, municipalities have to start looking at, "How we can get a better price for the services that we provide to our taxpayers?" There are all kinds of issues that the old way of doing business just is no longer appropriate. They have to go back to square one, to the bottom line and start building it up from scratch, looking at every line item, saying, "Is this the best way to provide this service at this cost?"

**Mr Young:** Right.

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**Mr Wayne Wettlaufer (Kitchener):** I'd like to follow up that line of questioning, Minister. In my own area, you're fully aware of the duplication of services that we have. We've got eight municipalities, including the regional government, serving a population of less than 440,000 people. In discussions that I had with the regional

government and with the city government, I proposed to them that one of their options was to look for savings in their spending as opposed to sending on tax increases, and they said that was not an option. That was their approach.

What we have had is an increase in taxes to some residential areas, definitely to tenant housing, to multi-residential owned housing and some rather significant increases to small business, especially small industrial.

**Mr Bisson:** What about banks?

**Mr Wettlaufer:** One of the things that we have seen is that the city —

**Mr Bisson:** What about banks?

**Mr Doyle:** Will you let him have his turn? You had your say.

**Mr Wettlaufer:** — of Kitchener has not utilized the various tools that were made available to them by your ministry. What more we can say to them to encourage them to utilize the tools?

**Hon Mr Leach:** I think they're beginning to realize now that the tools that were available to them would have made their life a whole lot easier in retrospect. I think they didn't appreciate some of the major shifts that were being made.

As I mentioned earlier, we are meeting with AMO and working with AMO, the association that represents the municipalities, to look at the options that may be available for municipalities to go back and revisit the decisions that they made earlier this year. In some instances they may want to go back and revisit the cap on commercial, for example, or they may want to revisit the phase-in period that was available to them for residential, for example. The city of Toronto, for example, decided to phase in the increases in residential over five years. They also applied the cap.

If those tools were used in many of the municipalities, and it's difficult for me to say in all of them, because I don't have the specific circumstances for all of them here in front of me, but if the municipalities had used the tools that were available to them in most instances, the major shifts and the major problems that are facing individual businesses or individual homeowners wouldn't be there right now.

**The Vice-Chair:** Any other questions from the government side?

**Mr Young:** How are we doing for time, Chair?

**The Vice-Chair:** Another five minutes.

**Mr Young:** I have a question, or do you want to —

**Mr Wettlaufer:** I was going to ask another one. What I was going to suggest is that you're aware of some of my interest in amalgamation of services in the various municipalities. In some cases I would even go further, and I know that you're not willing to — I shouldn't say you're not willing, but you're certainly not desirous of encouraging or forcing municipalities to merge necessarily, although I personally would be quite forceful with the municipalities in my region. But what could we do to encourage the municipalities to look at amalgamation of services as a means to cut costs?

**Hon Mr Leach:** We committed to work with municipalities to identify best practices — best practices that are used by other municipalities around the province, for example, that we are aware of. We committed to set up a process that would allow those best practices to be shared across the province. That, in many instances, goes to the amalgamation of services, sometimes to the amalgamation of departments.

In a two-tier situation, as you have in your community, there is lots of consideration being given to shifting the delivery of services from the lower-tier to the upper-tier and some areas from the lower-tier down. I mentioned insurance before, but insurance is being provided at the upper-tier for the entire region in some cases, which has produced substantial savings.

So we would continue to work with the municipalities. If any municipality wants to explore the best-practices procedures that we've identified, we'd be glad to work with them directly or through the municipal association.

**Mr Wettlaufer:** In some cases, however, we have parochial views, and that is not possible, because they aren't willing to work with us. But I'll leave that for another day.

**The Vice-Chair:** Two minutes, Mr Young.

**Mr Young:** Minister, I sat on the committee last year when we listened to the public on the City of Toronto Act. The difference between the reality now, what has happened in the city of Toronto and what people are saying versus what was being said is absolutely dramatic. At that time, the sky was falling and this was going to happen and the core was going to be eaten out and it was going to be like the worst American — all that stuff, none of which has happened. In fact, there isn't even a hint of any of it happening. We have probably the best salesman in Canada as mayor, who's out selling Toronto to bring the Olympics to Toronto and talking about major capital projects, like covering over the Gardiner Expressway. Can you comment on the transformation or how the result has been compared to how you thought it would be?

**Hon Mr Leach:** I think the proof is in the pudding. The budget chief for the city of Toronto has acknowledged that the \$300 million in savings to the municipality, as a result of eliminating the waste and duplication of having seven governments provide services within the Metropolitan Toronto area, is there and is real. It's being recognized and it's being found. All of the fearmongering that was done with respect to a loss of community identity has been proven to be just that; there is no loss of identity in communities.

I live in the city of Toronto. I've always lived in the city of Toronto. I think I'm probably as qualified to speak about the sense of community in various parts of Toronto as anyone in this House. I can tell you from first-hand knowledge that the concerns that were addressed by some have just not materialized and will not materialize.

**The Vice-Chair:** We'll turn it over to the Liberal party.

**Mr John C. Cleary (Cornwall):** I had a gentleman call my office last week, and he was very angry. I had



talked to him on the phone on the weekend. The one instalment on his tax bill is \$1,351. He says here that he is being charged an education levy of \$515. He went on to tell me about all the glossy brochures and everything he'd received saying the Ministry of Education was picking up the education levy. He said that he was surprised to see the education expense on his municipal tax bill. He was under the impression that the province, led by the Ministry of Education and your ministry, had taken the full cost of education. He is charged \$515, and he wants an explanation.

**Hon Mr Leach:** Let me give it to him. The province of Ontario offered to assume 100% of the cost of education off the municipal tax bill. That was a proposal we made to the municipalities. After we made that proposal, AMO, the association representing the municipalities, at committee came back and said: "No, we have another proposal. We recommend that you only take 50% off the tax bill and share costs on other services, like social services." We now share social services 80-20 and we pay for 50% of education.

We had originally proposed that 100% come off. I personally think 100% should come off. Education shouldn't be on the property tax. We are working, and the Treasurer, the Premier and I have stated that income redistribution issues should come off the property tax. When the provincial budget is in a position that we have some stability to it, we have committed to move in that direction. But it was the municipalities that asked that only 50% come off. That's what his \$515 is.

1630

**Mr Cleary:** I have another one here too. It's on conservation land. This lady writes me: "During my attempt to get my questions answered, I have contacted every person I know. Everyone is very unco-operative. No one can explain the increase in my taxes. Nevertheless, they told me to pay the complete amount."

She goes on to say that she had purchased the land six years ago, a parcel, and it was classified as conservation land. However, she says that the conservation title was recently removed without her being notified. As a result, her property taxes went up \$638. Obviously, she is very concerned and wants to know how this increase could be justified. She said that she has planted 7,000 trees on her property, and she wants to get information from you and about the deadline for help.

**Hon Mr Leach:** It's difficult to deal with a specific situation. I'm not sure whether she's talking about the assessed value of her property increasing, which has resulted in an increased tax bill, or whether it was the tax rate that went up that caused her taxes to increase. The only thing I could suggest that you advise her is that —

**Mr Cleary:** I can give you the letter.

**Hon Mr Leach:** That would help, but the decision on municipal taxes obviously rests with the municipality. She should first ascertain whether the increase was a result of an assessment increase or whether it was a tax rate increase. That could be provided by the municipality.

If you want to send that letter over to me, sir, I'd be glad to have my officials look at it and provide the individual with some advice on how to follow up on it.

**Mr Cleary:** She refers to downloading it. I'll send it to you.

The special circumstance fund: How long is that going to be in place?

**Hon Mr Leach:** It's certainly in place for all of this year. There hasn't been any decision made on how special circumstance funding will be applied in 1999. We hope to make a decision on that in the very near future, and we will advise municipalities accordingly.

**Mr Cleary:** The transition fund?

**Hon Mr Leach:** It's the same situation. We've advised municipalities that their municipal support grant would stay in place for 1999 and that the amount of funding that was provided to municipalities would remain stable. Whatever they got in 1998, they would get again in 1999. That's the bulk of their support spending.

On the special circumstances fund, each municipality would be revisited on its unique circumstances, and a decision would be made on an individual basis, as it was this year.

**Mr Gerretsen:** I have a comment before my questions. It's far too early to know whether or not community identity has been affected at all by amalgamation. We should maybe give it another three or four years. To sit there and say that there will never be a change here in Toronto about communities etc, I just find that a little bit too much. Let's just wait and see what happens.

**Hon Mr Leach:** Let me just make one very quick comment on that. As I said, I grew up in the city of Toronto. I grew up in a community by the name of Mount Dennis. Mount Dennis was amalgamated into the city of York in 1954. I remember my mother bouncing me on her knee and telling me about that amalgamation. I just wanted to point out that Mount Dennis was a community in 1954, and Mount Dennis is still a community in 1998. My mother puts Mount Dennis on her mail, and it gets there.

**Mr Gerretsen:** That may be so, but I still think possibly the worst thing your government has done, sir, is to get rid of an awful lot of the local representation out there. No matter how you cut the cake, one of the reasons municipal government and local government has worked well in this province over the last 150 years is that in most municipalities a councillor was no farther than down the next concession line or somewhere in the neighbourhood. That, I'm afraid to say, we're going to lose. Eventually, there will be less citizen input into the municipal processes.

Let me ask you something about the Ontario Housing Corp. You stated here the other day that you don't believe the province should be involved in public housing and social housing, although you kept calling it co-op housing. May I remind you, Minister, co-op housing is a small part of the total social housing portfolio. You said you really believed in the rent supplement program, and yet there are absolutely no new dollars in your rent supplement program; as a matter of fact, there are fewer dollars this year



than last year for the number of units you support. How long is the waiting list now within the OHC public housing system? Can somebody give me a number quickly, without taking too much time, as to how many people we have on the waiting list currently within the entire system, or within MTHA? Just give me any number at all.

**Hon Mr Leach:** It's probably pretty close to what it was 10 years ago when you were in power.

**Mr Gerretsen:** I've never been in power, sir.

**Hon Mr Leach:** And probably never will be.

**Mr Gerretsen:** I'm eagerly awaiting that day. It may never come.

**Hon Mr Leach:** I'd suggest you don't hold your breath.

**Mr Gerretsen:** I never hold my breath, because I want to keep breathing.

**Hon Mr Leach:** The waiting list for social housing, certainly in the major urban areas — and that goes beyond Toronto; it's Toronto and Ottawa and London and Windsor —

**Mr Gerretsen:** Do you have a number, sir, as to how many people are currently on the OHC waiting lists in the housing authority system in Ontario?

**Mr Dino Chiesa:** I don't have it off the top of my head.

**Mr Gerretsen:** You don't have it off the top of your head. Five years ago these people had those figures just like that. It's amazing how they seem to have lost that information. Anyway, no matter what the number is — and you said 45,000 — what do you as a province intend to do about those 45,000 families and individuals who are waiting for some sort of subsidized housing? Do you feel you have any responsibility at all there?

**Hon Mr Leach:** Did you say 45,000?

**Mr Gerretsen:** Well, isn't that what you said, that that's the number on the waiting list?

**Hon Mr Leach:** I said 25,000.

**Mr Gerretsen:** There are 25,000. Well, then, it was double five or six years ago, because then it was 50,000. If that's incorrect, I'd like your officials to correct me.

**Mr Chiesa:** The reason we don't have a number is because in many areas we've got coordinated access and common waiting lists now, so it's hard to have a number without duplicating the social housing number.

**Mr Gerretsen:** So how many people are there on the waiting list for social housing in general, then? Do you have any idea at all, in the province of Ontario?

**Mr Chiesa:** I can't tell you that, because many groups keep their own waiting lists; it's not a coordinated, all-across-the-province, common waiting list. If you want to know how many people specifically are on the waiting lists for public housing only, we can separate that data, and I can get it for you in a day.

**Mr Gerretsen:** Would 50,000 be way out of line?

**Mr Chiesa:** No, 50,000 would not be out of line.

**Mr Gerretsen:** So the minister was totally wrong with his 25,000 a few minutes ago.

**Hon Mr Leach:** You are a piece of work.

**Mr Gerretsen:** And so are you. I've certainly found that out in the last two or three years, that you are a real piece of work.

**The Vice-Chair:** Mr Gerretsen, please. Let's ask the questions, let's give the answers, let's not banter about names; nothing's accomplished.

**Mr Gerretsen:** Do you think the province has a responsibility towards these people who are looking for social housing, yes or no?

**Hon Mr Leach:** Yes, I think that all levels of government have the responsibility to make sure that housing is provided to everybody in our community that needs it, whether it's federal, provincial or municipal. We believe, as the federal government believes, the Liberal government in Ottawa, that housing should be devolved down to the level of government closest to the people. The federal government is devolving it down to the provincial government, and we in turn are devolving it down to the municipal government.

**Mr Gerretsen:** So you're saying that any new social housing that is to be created in this province is to be done at the municipal level and there is to be no provincial involvement in that. Is that what you're saying?

**Hon Mr Leach:** No, I didn't say that at all. Perhaps if you would wait for a complete answer, you would find out. We're saying the municipalities should be responsible for administering and funding municipalities, but the policies that ensure that the market will provide additional housing rest with all three levels of government. Much of that goes to policies of CMHC, for example, on mortgage rates for developers to get back into building low-cost housing.

**1640**

**Mr Gerretsen:** So the province is only involved in setting the climate, then, the economic climate, as it were. The actual delivery of housing and the subsidization of housing and any future new housing that's to be built is the local responsibility.

**Hon Mr Leach:** That's correct.

**Mr Gerretsen:** Okay. That's what I thought you said earlier.

You also made a statement, and you've mentioned this a number of times, that the kind of savings you were looking for from municipalities was somewhere — and I think I wrote this down correctly — between 1.4% and 4.2%. Is that right?

**Hon Mr Leach:** That's correct.

**Mr Gerretsen:** Just so that we're clear on that, that's not 1.4% or 4.2% of the provincial dollars that go into local municipalities; that is of the total municipal budget. Is that correct?

**Hon Mr Leach:** Of money they're responsible for.

**Mr Gerretsen:** Right. How much would you save, on average, in the province? Of the total municipal budgets out there, what percentage does the province put in?

**Hon Mr Leach:** I'm sorry, I didn't understand that question.

**Mr Gerretsen:** Well, let's say a budget is \$100 in a particular municipality. Do you have any idea how much

of that \$100 would come from the province as opposed to from the local taxpayers through property taxation?

**Hon Mr Leach:** No, because it would vary from municipality to municipality. If there were 815 municipalities in the province, then the amount of subsidy that was provided through various subsidy programs would vary from municipality to municipality. That was the whole purpose in undertaking the Who Does What exercise. We were trying to eliminate those cost-shared programs so that the municipalities would deliver and pay for services that are most appropriately handled by municipalities and the province in turn would pay for and provide services that are best provided at the upper tier. That was the whole purpose in undertaking the Who Does What exercise. As a result, we've reduced the number of cost-shared programs between municipalities in the province from 12 down to three.

**Mr Gerretsen:** But do you have any idea as to what percentage of the average municipal budget out there is our provincial dollars? Are we talking about a third, a half?

**Hon Mr Leach:** That would vary from municipality to municipality. I'm sure the budget situation in the city of Toronto, for example, would be a whole lot different than the budget situation in Amherst Island.

**Mr Gerretsen:** Don't pick Amherst Island. These people pay an awful lot in ferry subsidies.

**Hon Mr Leach:** I don't think you can pick a number out of the air and say that the tax situation in this municipality would be equal to that of every other municipality in the province. It's just not possible.

**Mr Gerretsen:** You're telling me that within your ministry nobody has a pie chart or a summary sheet which indicates that out of all of the dollars that are spent at the municipal level, nobody has an idea as to roughly how much comes from the province and how much from the local property taxpayers?

**Hon Mr Leach:** We can give you that number for every municipality in the province. But what I'm saying to you is that every municipality would be different. For me to say it's 50-50 would not be correct. It might be correct for one municipality, but it would be entirely false for another one.

**Mr Gerretsen:** The point I am trying to make is that you wanted the municipalities to get that entire 1.4% to 4.2% in savings out of the money that you were traditionally giving to them. Isn't that correct?

**Hon Mr Leach:** No. We felt that the 1.4% savings, for example, should come from the total amount of municipal spending. We felt that was certainly achievable for municipalities, to reduce spending by 1.4%. In some instances, that was as little as two cents on the dollar, so all you had to do was cut two cents on each dollar of spending and you more than equalled what the province was hoping you would achieve.

**Mr Gerretsen:** How do you explain the fact that Mr Eves said in the House one day, just last week, that a third of the municipalities didn't have a tax increase or may have even gone down a little bit, a third of the municipal-

ities had a tax increase of no more than 5% and a third had a tax increase of higher than 5%? Are you saying that for all of those municipal councils that had an increase of more than, let's say, 1.4%, in effect this is the result of their own doing in the sense that they wanted additional programs etc? Are you saying that every municipality out there, or two thirds of them, in effect wasn't affected by downloading at all? You seem to claim that it's revenue-neutral. You've mentioned this numerous times.

**Hon Mr Leach:** Some municipalities, of course, have had tax increases. I'll give you an example. The region of York increased property taxes by, I believe, 7.2%. When they were asked why they were increasing taxes by that amount, they said it was because they were in a growth community, they had additional services that had to be provided and they had to increase taxes to provide that additional increased level of service their taxpayers deserve.

There are many municipalities that are changing their service levels and require funding to pay for that. If they want to increase the level of service that they provide to their taxpayers, then they increase taxes to pay for it. That's fair ball. That's the job of a municipal council, to determine it. But if it was based on the same levels of service that were delivered last year and the same levels of service to be delivered this year, there was no action taken by the province of Ontario that would increase taxes other than by the 1.4%.

**Mr Gerretsen:** I totally disagree with that.

**Hon Mr Leach:** You may be wrong.

**Mr Gerretsen:** I'd rather take the municipal word on that than your word on that on any given day.

Is it not true, as well, that the education portion — the percentages that you have set, especially on commercial and industrial properties throughout the province — is at a higher rate than the municipalities expected? In order to get the \$6 billion in education dollars from the property taxpayer, you had to peg that to a —

**Hon Mr Leach:** I doubt very much whether it would be higher than what they expected, because we took 50% of what was there last year and froze it. There was absolutely no increase in the amount of property taxes collected by the province over what was paid last year. If some municipality is trying to tell you, sir, that they were surprised by the increase in property taxes, find out what they're smoking, because they're wrong.

**Mr Gerretsen:** Are you familiar with the Canadian Federation of Independent Business?

**Hon Mr Leach:** Yes.

**Mr Gerretsen:** What do you think of that organization as far as their research organization is concerned?

**Hon Mr Leach:** They have good points and bad points.

**Mr Gerretsen:** If they say that the factor you're using throughout this province to raise education tax dollars on commercial and industrial property is too high or is much higher than what it needed to be in order to get those dollars, you're saying they are wrong in that?



**Hon Mr Leach:** No, I'm saying that the province is collecting exactly what the municipalities collected last year. The province did not increase education taxes one penny, not one cent, on any municipality in Ontario.

**The Vice-Chair:** That's the last kick at the cat for the Liberals. We go to the final 20 minutes of the NDP and then 14 minutes for the government side.

**Mr Bisson:** I can assure you that it's not going to be the last we hear on that particular issue, because from the work I've done within the communities that have contacted me, it would appear that there's a big problem in that area. But I won't comment until I make sure what my numbers are.

I want to come back to the issue of the reclassification that we talked about a little while ago in regard to commercial tax rates, the subclassifications within those. One of the situations we're finding, for example, in our part of the province up along the Highway 11 corridor, is there's a TransCanada pipeline that comes through. There are compression stations in a number of communities — I'm not going to name them; they're very numerous — but for a lot of the small municipalities along Highway 11 — and I'm sure it's the same in other areas — there's very little in the way of commercial assessment. Most of their assessment is, by and large, residential, and about the only commercial assessment they've got is the TransCanada pipeline.

What we're seeing now in communities like Mattice, Matheson and others is that there's a huge reduction in the amount of taxes that the TransCanada pipeline paid to those municipalities this year as compared to last year, because the classifications have changed, as we talked about earlier. As a result, a municipality is having to shift the burden of what the TransCanada pipeline used to pay on to other classifications of businesses within that classification. We're seeing now, for example, businesses in Mattice where their property taxes are going up from 80% to 120% on the basis of that shift within the classification.

Do you think it's fair that the TransCanada pipeline should get a reduction and, to offset that reduction, individual businesses in small communities like that are having to pay a large increase?

1650

**Hon Mr Leach:** I'm not familiar with the specifics of the municipality you're talking about, but if I understand correctly, you're saying that the pipeline assessment is —

**Mr Bisson:** Their classification within the commercial classification — there's an ability, because of what you've done within the legislation, to change —

**Hon Mr Leach:** We provided a specific class for linear properties like pipelines.

**Mr Bisson:** It has meant a reduction in taxes paid on the part of the TransCanada pipeline to municipalities, not the assessment, but the changes that you've made within the actual tax system. Municipalities are having to offset that. We're seeing increases in commercial properties in those small communities, and I'm asking, is that fair? Are you prepared to do something to address that problem?

**Hon Mr Leach:** Just to make sure that I fully understand the implications of pipeline taxation, I'll get Nancy Bardecki to respond to that.

**Mr Bisson:** If we can get a good briefing, this would be good.

**Ms Nancy Bardecki:** The pipelines are in a class of property by themselves. The transition ratios that were established by the Ministry of Finance, which talk about the relationship among tax rates that's allowed for a municipality to choose, were established so that each class of property could, if the municipality chose, bear the same proportion of the tax burden as they did in earlier years, as they did last year, so there could be a change in the amount of tax, the proportion of tax, that the pipeline generates. But that would be because the municipality took the tax policy choice to move from the transition ratio provided by the Minister of Finance to some other tax ratio policy.

**The Vice-Chair:** Excuse me for interrupting. Nancy, could you please identify yourself for the purpose of Hansard.

**Ms Bardecki:** I'm sorry. I'm Nancy Bardecki. I'm with the Ministry of Municipal Affairs and Housing.

**Mr Bisson:** If you could provide me your phone number afterwards, I'd appreciate it.

So you're saying to me that, in the end, the municipality, if it chose, would not be forced to be in a position where the total taxes paid by the TransCanada pipeline in a given community would go down?

**Ms Bardecki:** That was certainly the tax policy goal. I really can't be 100% certain of the accuracy of the transition ratios defined by the Minister of Finance, but that was certainly the policy.

**Mr Bisson:** Have you had any calls to your particular office from various communities or businesses about this? I just started to receive them last week.

**Ms Bardecki:** I can't say that I have received those calls personally, no.

**Mr Bisson:** I will get some more details, because I just started to receive these particular calls, actually last week sometime, and I've only had two so far.

**Ms Bardecki:** Perhaps municipalities will start to call. Certainly if they do have any questions, they can feel free to call the municipal finance branch in the ministry or they could call the tax policy branch in the Ministry of Finance. Either should be able to help them.

**Mr Bisson:** I will get back to you individually, but just so the minister is clear, what appears to be happening is that the overall taxes paid by the pipeline seem to have gone down. When the commercial property owners find out what the hell is going on in their local municipalities, they're saying, "We have no control except by the province." That's what they're being told. That might be correct or incorrect. I'll go back and check with Nancy.

**Hon Mr Leach:** It's an issue that hasn't been brought to my attention by anyone. But thanks for the information. We'll look into it.

**Mr Bisson:** I detect that there is a willingness to try to help in this particular case.



Around the whole issue of the classification of various categories of taxes, we're seeming to see that the larger the company, the bigger break they seem to have gotten. We're seeing that, for example, overall taxes paid by the banks in Timmins, Iroquois Falls and other places, as compared to last year, are down substantially. We're seeing larger companies, such as the gas pipeline and others, seem to be getting a break. Was that the policy the government was trying to follow, to decrease the tax pressure on larger corporations and shift it on to smaller businesses?

**Hon Mr Leach:** No, it was not. As a matter of fact, we were cognizant of some situations where that might occur if the same tax rate was used for all businesses within a commercial class. That's why we gave tools to the municipalities to be able to set ranges within the commercial tax sector to say that, for example, if the assessment is \$100,000 you could have one rate, if it's half a million dollars it would be another rate, if it was \$1 million it would be triple rate, to make sure, if the municipalities so chose, that it could affect larger businesses differently than smaller businesses.

**Mr Bisson:** I'll just tell you this much, before I go to the other issues. One of the things I'm seeing is that a lot of the people who used to be your supporters in those communities are really feeling pretty upset with you guys about now, as they look at their tax bills. I would suggest, if you want to hang on to the support you used to have, that you guarantee that you'll try to do something to fix the problem. I'll tell you, I've gone to a number of businesses in my community that are saying, "I'm going to lay people off this year because of the increase in taxes I'm getting from the municipality," based on what they figure are decisions you made. And they are not big lovers of municipal government, believe me.

**Hon Mr Leach:** Again, no one, regardless of what party you belong to — but certainly the Conservative government is not one that has ever been in the business of hurting small business. All I can tell you is that the tools that were made available to the municipalities were developed specifically to ensure that that didn't have to happen.

**Mr Bisson:** I can tell you, a lot of people are starting to wonder about that.

Anyway, I have another question. I want to get back to transitional assistance and the special circumstances fund. I was talking to Blain Morin earlier today. He was here but, as you know, can't sit here today because he's not gazetted yet and can't take his seat in the Legislature until next week. One of the questions he wanted to ask me, specifically, in the town of Chapleau, from what I understand, you might know Earle Freeborn, who is the reeve of Chapleau, is quite concerned that if they lose the special circumstances fund and the transitional assistance next year, they're going to lose 25% of their municipal revenue for next year.

I come back to the question I asked you earlier, do you anticipate any kind of special provisions for communities that are assessment-poor, such as Chapleau, to be able to offset the decision?

**Hon Mr Leach:** Well, as I said, that decision hasn't been made by government. Special circumstances fund means just that, there would have to be special circumstances for it to apply. We haven't made the decision as to how that's going to be applied next year. We hope to have a decision out on it very soon. Hopefully when your new member takes his seat in the House, we'll be able to provide him with that information.

**Mr Bisson:** Well, I got it on behalf of Blain and other municipalities in my riding. Matheson, for example, is another one that's in exactly the same position. Talking to Gary Eaton, who is the town administrator, and others on council, Reeve Lamb, whom you probably know quite well, I think he's somewhat of a friend of yours, they really are worried about what's going to happen next year. If something is not done next year to guarantee that they get close to the amount of money that they got last year by way of the special circumstance fund and the transitional assistance fund, they're going to be in an awful position. They're talking like 30% of their overall revenue comes from that. They have low assessment.

**Hon Mr Leach:** We know that municipalities have to start their 1999 budget process almost immediately, and that's why we're saying we want to get that information out to them as quickly as possible. We will.

**Mr Bisson:** I urge you to try to do something, because those communities are going to get hit bad if that doesn't happen next year. Even communities like Timmins, which is a different issue, it may not be the same percentages, but they're fairly significant amounts of money.

Moving on to another issue, the issue of last year when municipalities were told, "Here are the services that you're going to be transferred" — I'll use the polite word — "Here's what your CRF funds are going to be," and when all of it comes out, it should balance out to what they were told in those documents; I think they were issued last year sometime. We had their copies in the House. What they're starting to find is that the amount of money that was the balance that was supposedly there in those documents ain't showing up. In other words, the amount of money they're getting by way of transfer from the CRF is not balancing the amount of money they're having to pay out. Do you plan on adjusting that? In other words, it's not revenue-neutral.

**Hon Mr Leach:** Yes. As a matter of fact, when the Treasurer spoke at the AMO conference in August, he announced at that point in time that the numbers that were provided to the municipalities would be revisited at the end of the year.

1700

**Mr Bisson:** For this budget year?

**Hon Mr Leach:** For this budget year. And if the numbers that we indicated were lower, then we wouldn't claw that money back; if the numbers that we told them were higher, then we would supply additional money to cover it off.

**Mr Bisson:** All right. So if they're able to make a case that shows that the figures they were given and the actual transfers don't balance out and it's specifically related to

that, you are going to make an adjustment one way or another.

**Hon Mr Leach:** Yes, we said that we would make that adjustment.

**Mr Bisson:** I will pass that on.

**Hon Mr Leach:** As we were developing the process over the year, the numbers were very fluid. The numbers on social assistance, for example, were changing monthly. The number of people on social assistance was declining each and every month, so there were additional monies available to municipalities to provide social services, and we are not going to claw that money back. In some areas, highway maintenance, for example, monies may have been understated. If that's the case, then we revisit it and top that money up.

**Mr Bisson:** OK. Another question from one of the other reeves of the communities up in northwestern Ontario — and I've seen this not in a lot of communities but in a number of communities in the northeast as well — is that a number of them, when they were being sent their bills by, for example, the Porcupine Health Unit or some of those agencies that are now billing — a health unit is not a good example, but the health council, the ambulance services etc — are now starting to send their bills into municipalities, in some cases they have not received the offsetting money from the province and they've had to borrow the money to pay the bill. Are there going to be any adjustments for interest charges carried because of that?

**Hon Mr Leach:** As a principle, I can tell you that it was never the intention of government that municipalities would be financially hurt by accepting the transfers.

**Mr Bisson:** So, specifically in those cases where they've had to go out and borrow the money to pay the bill, are you going to be in a position to offset?

**Hon Mr Leach:** We took a couple of steps earlier in the year by delaying the date that the education tax had to be submitted, for example, so that the municipalities wouldn't have to go out and borrow other monies to carry on. We said to delay the remittance of the education tax, for example, to cover that off. Hopefully that would take care of any differences the municipalities may have had.

We also delayed the date of the billing for services that were being transferred for social housing, for example, until October 1 to make sure that municipalities wouldn't have to go out and borrow money to pay the province for social housing. The whole goal was to make sure that municipalities weren't faced with the situation of having to go out and borrow money. I'm not aware of any municipalities which specifically had to do that. If you're aware of some, we could —

**Mr Bisson:** A whole bunch of them are borrowing. That's where we're finding they're having to carry the interest charges.

**Hon Mr Leach:** It depends what they're borrowing it for. I've just been provided that we pushed back the deadline for repayment of the school boards' portion of the property tax to October 30, which means the municipali-

ties have use of those funds between now and then so they don't have to borrow money.

**Mr Bisson:** But, Minister, part of the problem is, as you know, the tax bills have only just now gone out, so they're not going to be collecting a heck of a lot of interest on it. In fact, they need the money to pay the bills that they didn't have the money to pay for in the first place. You realize the problem we're in. I understand that any time the government goes through massive changes, such as what you guys are doing, there are always problems. I don't agree with where you're going, but there are always problems in trying to implement it. What we're finding is that there are a lot of hidden costs because of the hurried process. I don't want to banter this point, but they're having to carry interest charges because of that. What I'm asking you is, will you offset those interest charges that they have to carry, legitimately, because of the unforeseen problems that have been created by the delay in a lot of the decisions that had to be made around these transfers?

**Hon Mr Leach:** I think we would have to revisit the situation of each municipality, because, as I indicated, we did take action by delaying payments by municipalities to the province to ensure that they wouldn't have to borrow money. If there is a circumstance where a municipality, having the use of the education tax dollars, for example, or not having to pay the social housing bill until later, still had a need to borrow money, then we'd have to look at the circumstances of that specific municipality.

**Mr Bisson:** I have another question, having to do with cottage lots and cottages. A number of mayors have come to me from across most of where I'm from, northeastern Ontario. The experience has been is that the assessed value on cottages has gone up dramatically, because these cottages were last assessed some time ago — it's a little bit like the story of the city of Toronto — and what's now happening is that the value of those cottages is being assessed much, much higher. You see tax bills from the municipalities on cottages, when built within a municipal area, from \$600 to \$1,200 a year. Is there any intent by the government to find a way of capping that or to slow the transition?

**Hon Mr Leach:** Yes. We made available to the municipalities the ability to phase that in over eight years if they chose to do so.

**Mr Bisson:** But you were saying earlier that you might be reopening that, because right now they can't. The problem is that a lot of municipalities —

**Hon Mr Leach:** If they didn't take that option, the door was closed to doing it now. As I mentioned, we are going to revisit those —

**Mr Bisson:** Reopening the cap. I want you to understand that a lot of the municipalities did not take that option for no other reason than that they didn't have all the numbers at the time: The tax rolls weren't done and there was a whole bunch of information missing. They had 30 days to make up their minds and councils were not able to move quick enough. Some may or some may not. You're saying that you're prepared to revisit that issue.

**Hon Mr Leach:** Yes.



**Mr Bisson:** Do I have any time?

**The Vice-Chair:** About 30 seconds, so ask a quick one.

**Mr Bisson:** I'm not going to get a quick answer. On the question of unorganized municipalities, I just want you to know that your colleague the Minister of Northern Development, through his bill, is going to in effect raise the taxes for those people in the unorganized communities in northern Ontario by as much as 1,000%. I'll tell you, you'll be hearing from a lot of those people. They're going to be awful upset when they get their tax bills next year.

**Hon Mr Leach:** No action being taken by this government is —

**Mr Joseph Spina (Brampton North):** They're getting services.

**Mr Bisson:** They're not getting the services. That's the problem.

**The Vice-Chair:** Joe. Go ahead and finish, Minister.

**Hon Mr Leach:** I'd be very surprised if that were the case. We do, on our committee, have a representative from northern affairs. He may want to comment on that when he has an opportunity.

**The Vice-Chair:** We now go to the government side, who have 14 minutes or less.

**Mr Spina:** Before I ask the question, Minister, I will take the opportunity to clarify that when the area services board legislation is put into place, those in unorganized territories will be receiving services as a result of any increase and they will have the option to buy into that. But that's not what we're here to debate at this point, with due respect to the member for Cochrane South.

I have here something which isn't necessarily a matter of public record. It's the Peel Tax Policy Framework: Regional Policies and Tax Impact Analysis, done in July 1998. If you'll bear with me, there's a little background I want to provide before I ask the question.

They list here within-class interventionist tax policy tools they have available: optional new property classes, graduated commercial and industrial rates, small business rebates, capping tax increases on apartment and business taxes at 2.5% for three years. Then they discuss, on a subsequent page of this report, "A Non-Interventionist Tax Policy: Pros and Cons," and "An Interventionist Tax Policy: Pros and Cons."

They chose, according to this, the within-class fairness minimum-intervention model. In that particular model, they indicated that there are no graduated rates, caps, rebates or new classes. They want to allow the relative CVA values to determine the property taxes owing within the commercial and industrial classes. Their rationale is, "It maintains a strong link between taxes owed and the relative values of properties...provides a defensible rationale for unavoidable shifts in tax burdens," and is "a significant one-time tax burden shift as Peel tax bases are updated or integrated to the 1996 CVA."

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That's a policy that they voted on and passed. My concern is that this minimum-intervention policy has resulted, in terms of the actual impact, in these numbers: On the

commercial taxable chart, 43% of the commercial taxes went down and 13% remained neutral, so 56% of the commercial tax base was either neutral or the taxes went down. What that means, of course, is that 44% went up. The largest number of companies that went up had a 10% to 20% increase, and it declines thereafter. Then suddenly, there is a whack right at the bottom of the list: 8% of the businesses went up over 100%.

I can understand the assessment: Somebody's assessment goes from \$200,000 to \$400,000 because that's the category they're in. But knowing this, the municipality — and it's the first time the upper tier, as you know, has had the taxing responsibility — has chosen this least interventionist method. Even though the region chose the seven categories, the municipality chose 28 categories of tax rates. Even with this, my concern, like a lot of other people's, and yours as well, I know, is that we still have too many businesses that are being impacted negatively. In other words, they're getting an increase that's not minimal; it's a whack increase.

That's what we did not intend. We have tried to implement what we feel is a fairer system, a more proper taxation system that reflects actual values and is a fairer taxation system on properties. My concern is that I think they deliberately have not used the tools. This has been discussed and rolled over many times, I'm sure; this is the first time I'm at the committee, as I hope you can appreciate. I'm bearing. What can we do to make these municipalities adhere to the cap system? What can we do to make them use a tax rate model or series of models that can make greater than the majority of 56% neutral or zero, but higher, to maybe 80% or 90% or 95%?

**Hon Mr Leach:** The region of Peel is a very sophisticated municipality and they obviously had all the information they needed to make the decisions they made. As you pointed out, in their tax policy they were aware of the tiering that was available, of the caps that were available, of the phase-ins that were available, and they chose not to use any of those, saying that 50-some-odd per cent were going to be a zero increase or a tax decrease and the majority of the balance was going to be 20% or less. They made a very conscious decision to say that 8% of their businesses were going to be thrown to the wolves.

To me, that's a very unfortunate decision. In retrospect, and from following this issue in the media and from comments that have been made to me by business people in Peel, there's sufficient pressure being brought to bear on the municipal council right now that that issue may well be revisited. As I mentioned earlier, we are meeting with AMO. We're looking at the feasibility of reopening the tax issues for 1998, which would allow municipalities like Peel region to revisit the decision they made.

What they may want to do, and this would be solely their decision, is take that 8% and put them in a separate class and spread the tremendous increase to those 8% over the balance of the commercial rates, which may be one tenth of 1% or something to everyone, rather than 110% or whatever to that 8%.



We're meeting with the Association of Municipalities of Ontario to discuss the options that may be available. Hopefully, we'll be able to assist the municipality solve their problem, because the decision still rests with the municipality. They did it very consciously, knowing that 8% of their businesses were going to get burned, and burned very badly. They knew that and said, "So be it."

**Mr Spina:** So it was a cop-out.

**The Vice-Chair:** This concludes the questioning with regard to municipal affairs and housing, so we'll have the vote.

Shall votes 1901 through to and including 1906 carry? All in favour? Carried.

Shall the estimates of the Ministry of Municipal Affairs and Housing carry? All in favour? Carried.

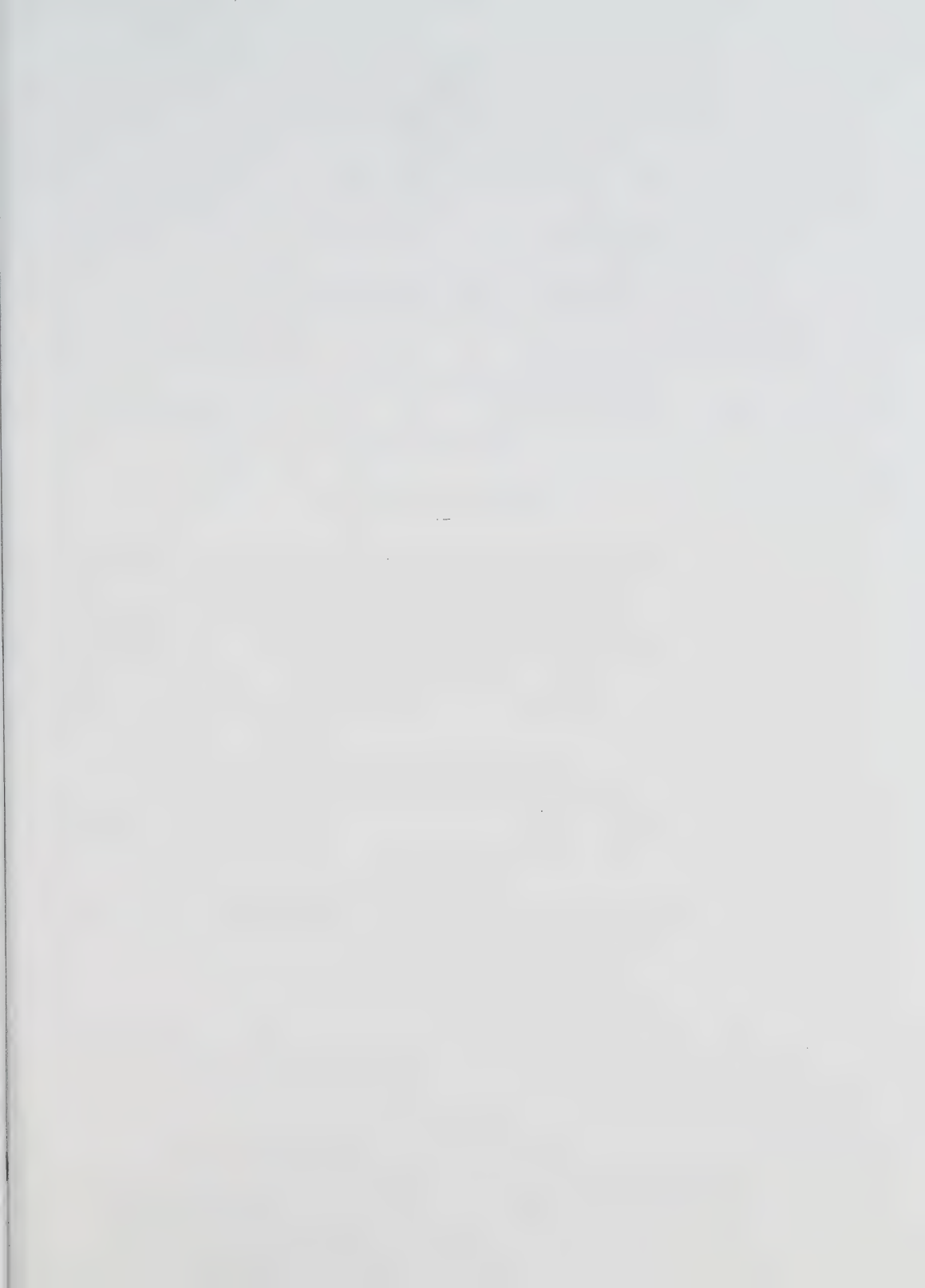
Shall I report the estimates of the Ministry of Municipal Affairs and Housing to the House? Carried.

Before the minister leaves, I'd like to thank the minister and his staff for their attendance and their answering of questions.

**Interjection:** Do we come back tomorrow, Chair?

**The Vice-Chair:** The reality is, estimates committee is going to adjourn for today because we cannot have the estimates of a ministry that's debating a motion in the House. We'll meet you here tomorrow.

*The committee adjourned at 1718.*



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Ms Nancy Bardecki, acting assistant deputy minister, municipal policy division	

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## Legislative Assembly of Ontario

Second Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 7 October 1998

# Journal des débats (Hansard)

Mercredi 7 octobre 1998

**Standing committee on  
estimates**

Ministry of Education and Training

**Comité permanent des  
budgets des dépenses**

Ministère de l'Éducation et  
de la Formation



Chair: Gerard Kennedy  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 7 October 1998

Mercredi 7 octobre 1998

*The committee met at 1542 in committee room 2.*MINISTRY OF  
EDUCATION AND TRAINING

**The Chair (Mr Gerard Kennedy):** I call the meeting to order.

**Mr Bud Wildman (Algoma):** Mr Chair, I'm just wondering if it might be convenient after the leadoffs — after the minister makes his presentation and we hear from the opposition caucuses — that we designate a time when we would deal with issues related to post-secondary, colleges and universities, and to training, so that the ministry doesn't have to have staff here the whole time. They would know when those particular matters were going to be dealt with, and it would probably be more convenient for the minister.

**The Chair:** Is the proposal by Mr Wildman acceptable to other party members?

**Mr Wildman:** I'm open to suggestions.

**Mrs Lyn McLeod (Fort William):** I'm amenable to the idea, but I'd like to suggest that the subcommittee meet after this meeting, or at some convenient point, in order to divide the time.

**The Chair:** We can do that. I'll have to ask one of you to represent the subcommittee. Mr Young, are you able to stay behind and examine this?

**Mr Terence H. Young (Halton Centre):** Yes.

**The Chair:** All right, we'll do that.

We'll have opening statements to start. The format is half an hour for the minister, followed by responses from each of the opposition parties. The minister, of course, will have another half-hour to respond to their comments. I invite you to start.

**Hon David Johnson (Minister of Education and Training):** I welcome the opportunity to talk about the tremendous change and progress in the quality of education and training in the province of Ontario. Our province has undertaken major reforms in education and training systems. In three years we have accomplished a good deal. Ontario still faces many challenges, but we should first, and above all, recognize the success we've had.

For example, by helping almost 61,000 young people find work, Ontario Summer Jobs 1998 helped more young people than any other provincial government summer jobs strategy.

Youth are benefiting greatly from Ontario's strong economic growth. Since February 1997, Ontario's youth have gained almost 46,000 net new jobs. This year Ontario will spend about \$200 million on labour market programs for over 154,000 young people, which is about 60% more youth than we served in 1995-96. Ontario has the highest spending on youth employment programs in Canada.

Our elementary students are benefiting from the investment in over 3.2 million new textbooks that support the challenging new provincial curricula for math, language, and science and technology.

Province-wide support for teachers' assistants, librarians, guidance counsellors, as well as tutors in the classroom, has been increased.

*The quorum bell sounded.*

**Hon David Johnson:** Does that affect this committee?

**The Chair:** No, it's a quorum call.

**Hon David Johnson:** I realize that, but — I guess you guys don't care anyway, do you?

This kind of success gives us a solid foundation for building the future, and indeed it is time to look to that future. The key to providing a secure future is to build a strong, competitive economy that will bring jobs and prosperity to Ontario and improve our quality of life. In education and training, our challenge is to build a system that provides the people of Ontario with the skills and knowledge they need to seize the opportunity. We want to prepare every student for success, whether it's in the classroom or in the workplace or throughout their lives.

Today, Ontario is making substantial investments in education and training as a key priority, building tomorrow's prosperity and quality of life through today's actions. Some examples include:

We have recently announced an expansion of the student testing program to include annual province-wide testing of all grade 6 students. Formerly, grade 6 had been tested on a smaller basis and grade 9 was tested this year on a smaller basis, but this will now be all grade 6 students across Ontario. That's another step ensuring that our education system provides the consistency and quality we want everywhere in the province.

Our students will benefit from a dramatic increase in the number of new schools. Our new, student-focused approach to funding will permit school boards to take advantage of long-term financing and start building new schools at a rate 10 times faster than the old system



allowed. We reckon that about 200 schools will be under construction in the next three years.

Working in partnership with our community colleges, we are moving forward on performance-based funding, which will reward colleges for providing programs that meet the needs of students and employers. When this is fully implemented, up to 10% of the total funding available to colleges through general-purpose operating grants will be distributed based on performance. I might say that many in the college sector are eagerly awaiting this and wishing to participate. Alberta, by comparison, currently ties about 2% of funding to performance. So when we are at maturity, Ontario will be in a leadership position in Canada, and indeed North America, with respect to basing funding on performance.

We have proposed changes to apprenticeship legislation, which would create work and learning opportunities for thousands of people in Ontario, with the goal of doubling the number of people entering apprenticeship programs to 22,000 from the existing 11,000 per year. There certainly are wonderful opportunities for young people in the apprenticeship program. Whether it's tool and die or cook and baker or some of the newer ones in agriculture and cable networking, they're just wonderful career opportunities and we want our young people to be able to take advantage of these opportunities.

These initiatives are all investments in our future.

Our efforts for elementary and secondary education are to put students first by focusing on quality in the classroom. We are committed to ensuring that Ontario's students will have the best quality education in Canada. Guided by parents, we are focusing on measurable results and benchmarking those against the best in the world. We already benefit from excellent teachers who are very dedicated and provide valued guidance to our students. Our teachers need an excellent system that will support their hard work.

#### 1550

In this school year, parents throughout the province are seeing substantial measures to improve the quality of the education system. This includes Ontario's first new kindergarten program in 50 years, which will outline the knowledge and skills children should develop during their first year of school. For the first time since 1944, there will be consistency in what Ontario children learn in kindergarten, because we believe that children's early learning experiences are too important to be dealt with haphazardly. Now we will have a strong foundation for their future intellectual, physical and social development. An early learning grant guarantees funding to each school for junior kindergarten or other appropriate early learning program. This is the first time that such funding has been guaranteed.

In addition, world-renowned expert Dr Fraser Mustard and child advocate the Honourable Margaret McCain are heading a study of early learning and will make recommendations on how best to prepare young and preschool children for scholastic, career and social success. We expect that report later this year.

The kindergarten curriculum leads to the new, rigorous curriculum for elementary school students. There are clear expectations for each grade. For example, Ontario now has a rigorous science and technology curriculum, the first new elementary science curriculum in 30 years. Students will now be expected not only to learn scientific and technological concepts, but to apply them to everyday life, which I think will be most interesting to the students.

The year-by-year expectations are actually a very key point: The teachers, the students and the parents will know at each grade in each subject what the student should learn and what the teacher should teach. International test results have shown that Ontario students know less about science than students their ages in other countries. The new science and technology curriculum reflects our commitment to upgrade what is being taught in our schools to ensure that our students are ready to compete with the best in the world.

Now that we have clear expectations of what our children will learn, parents have asked for clear, straightforward information about how their children are learning. We have listened and we have responded. A new, easy-to-understand report card will be used in all elementary schools, giving parents better information about their children's progress.

I might say that it's particularly gratifying to us that teachers have been so involved in all these initiatives, whether it's the new curriculum, whether instrumentally involved in actually writing the curriculum; whether it's the report card, where the teachers and educators from across the province are involved in guiding the format and content of the report card, and the electronic report card that is a spinoff of that; or the testing, which is the next topic. The teachers are certainly involved in guiding the testing process and also in marking the testing — very enthusiastically involved, I might say, in the testing program.

The expanded testing program, as indicated, now in grades 3 and 6, will let parents know how their child is performing, and will also let taxpayers, school boards and government know how well the system is performing, and where we need more focus. Also, beginning this fall, school boards are required to ensure that average class sizes, on a board-wide basis, do not exceed 25 pupils in elementary school classes and 22 pupils in secondary school classes. Elementary students will now have five more days in the classroom, while high school students will receive 10 additional days of instructional time. In both cases, that brings the elementary and the secondary up to the national average. Before this, they were unfortunately receiving fewer instructional days than students in other Canadian provinces.

These measures are all meant to increase the quality of our classrooms and improve our students' learning. The Ontario government has set high standards for our education system, and the only way to ensure that these standards are met is to focus our education dollars on students in the classroom. For the first time in history, classroom spending has been defined and protected. Changes to

school boards, administration and funding are all designed to support learning and teaching. In particular, we are ensuring that every student gets a successful start in school and are protecting programs for students with special needs.

Ontario wants all students with special needs to have the support they require to reach their full potential. Ontario's new, student-focused approach to funding provides protected funding for special education, which school boards may use only for special education. This new approach will ensure that students' needs are identified and addressed in a more consistent manner throughout the province.

In addition to fair support for new school construction, school boards will benefit from a total of \$574 million for transportation in 1998-99. That's an increase of \$14 million over the amount originally announced.

In high school, we are increasing the number of compulsory credits, with a greater emphasis on math, science and language. For the first time, students will be required to take a literacy test in grade 10. I must say, this seems to be applauded by most people in Ontario.

Students will also be expected to prepare an education plan and to link their learning with their career goals, whether those include college or university studies, apprenticeship training or a job following graduation. Working with teachers and guidance counsellors, we will make sure that secondary school students are aware of the wide range of careers available to them. We intend to increase opportunities for young people to learn about careers in skilled trades. This will be included in the career education provided to grade 9 students and will support the network of school guidance counsellors.

We have established programs to help students who plan to go directly to work from secondary school. They need education and training programs that will help them find pathways into the workforce. For example, our youth apprenticeship program offers students the opportunity to train as registered apprentices even while they're completing a high school diploma, so that once they've graduated from high school, they have some of the requirements of the apprenticeship program.

We've also established a bridges to work program, similar to the Ontario youth apprenticeship program in that it combines secondary school education with on-the-job training, but aimed at employment in broader areas outside the existing apprenticeship trades. We want to increase private sector participation in these and similar programs. We will set up a provincial partnership council to help expand co-operative education, work experience and school-to-work programs.

A key step forward in strengthening the pool of skilled workers in Ontario is reform of apprenticeship training. As I indicated earlier, we do intend to double the number of new apprentices. We want to encourage more employers to train apprentices and expand the skills that can be learned through this effective means of training. We intend to give industry greater responsibility for apprenticeship training. New legislation, the first since 1964,

I think it was, to be precise, was introduced in June and debated last night, I understand, in my absence. It will provide a framework for our reforms.

Partnerships also underlie job connect, the Ontario government employment preparation program, which does an excellent job of linking employers who want to train with people who want to learn in-demand skills. During the first quarter of the current fiscal year, job connect served more than 20,000 people — about 24,000 people, if my memory is correct — which means we are on track to achieve our target of 94,000 in a full year. We expect that fully 80% of these, about 75,000, will be placed in on-the-job training positions or further education. These high expectations reflect our conviction that job connect is a leading program of its kind in Canada.

We are laying out Ontario's plan for tomorrow's job market, to invest at least \$9.5 billion over the next 10 years to help meet the job and skill training needs of Ontario workers and businesses in every sector of the economy. In this year's budget, the government took aim at the serious shortage of graduates from our colleges and universities in high-demand engineering and computer science programs. We will invest \$150 million over the next three years to implement the access to opportunities program, otherwise known as ATOP, to double the spaces for students in these fields. Operating costs for new spaces will be recognized and funded, with industry matching the government's investment in start-up costs.

#### 1600

In the 1997 budget, Ontario announced an investment of more than \$10 million to support training in four critical skill areas that were identified by business. The first was training in auto parts design and manufacturing technology, where there will be a partnership between Georgian College and the Industrial Research and Development Institute; secondly, training in metal machining and other key engineering technologies, through Conestoga College; thirdly, comprehensive business and technology training in the telecommunications industry, through Humber College and the Telecommunications Learning Institute; and finally, new media skills training at the Canadian Film Centre.

In this year's budget, we have dedicated a further \$20 million to kick-start other forward-looking skills partnerships. The Ministry of Economic Development, Trade and Tourism, in co-operation with my ministry and the Ministry of Energy, Science and Technology, are reviewing projects through a competitive process. The focus of these new skill investments is to create strategic skills essential to the competitiveness of growing industries today. The government's willingness to invest in strategic skills is built on the expectation that all participants, whether it's industry or educators or students, as well as governments, will contribute substantially to the new skills partnerships.

These immediate investments complement the \$500-million research and development challenge fund introduced by the government last year. One of the key purposes is to attract and keep world-class researchers right



here in Ontario. This goal will be achieved by encouraging partnerships among businesses, universities and other research institutions. Funding has been approved for 18 proposals from the first competition. The government's total investment is over \$68 million. All projects also have secured funding from business and industry, and another 10 proposals are still under consideration.

In June, as one example, we announced approval of six proposals from the University of Toronto. These include a partnership between that university and Northern Telecom to expand and enhance the staffing and the physical infrastructure at the Nortel Institute for Telecommunications. This institute provides global leadership in research, training and education in telecommunications, ensuring that Ontario industries maintain their significant competitive edge in this most important sector.

Also through that same challenge fund, the University of Toronto and Bell Emergis will establish the new Bell Emergis university laboratories to develop new technologies for computing, and networks and communications, and to turn these into new commercial products and services. This is a complementary facility to the one already at the University of Waterloo. The two new laboratories will work together on telecommunications research and new product development.

Together these investments fit in with the broader perspective of the new Ontario Jobs and Investment Board, which has been established to help develop a vision for Ontario's long-term economic prosperity. The Ontario Jobs and Investment Board, known as OJIB, is organizing seven regional conferences this month and in November to seek broad participation in developing regional strategies for long-term job creation and economic growth. I am pleased to be a member of that board, and my ministry supports the board's research on the future relationship between learning and jobs in the new millennium.

At the college and university level, in addition to the ATOP program, we are establishing a comprehensive set of benchmarks including graduation rates, placement rates and loan default rates. Students may use this information as a guide as they consider schools and programs in which to invest their money. A key component of accessibility to post-secondary education is giving qualified students the information they need to make decisions about their education.

We are also committed to taking major steps to support qualified students. This year the government is helping over 200,000 students at the post-secondary level through \$535-million in spending on student assistance. That represents a 30% increase over 1995-96 spending. The largest share of this amount is in the form of direct grants to students through the Ontario student opportunity grants program, which was introduced this year.

The Ontario student opportunities trust fund initiative, which was launched in 1996, will generate \$600 million for student assistance at universities and colleges, and will help 185,000 students over 10 years.

In partnership with the private sector, the Ontario government will reward excellence in studies in science and technology through a new graduate scholarship. Over the next 10 years, \$75 million will be awarded to students through this initiative.

We have taken a new approach to post-secondary tuition that establishes greater accountability to the university or college community for the use of tuition fee revenue. It allows colleges and universities to enhance the quality of their programs while providing more funding for student assistance. It also provides greater opportunity to offer programs for qualified students in areas where there is student demand, as well as employer demand for graduates, and substantial starting salaries for those graduates.

Our economy is growing, and we face the challenge of providing Ontarians with the skills and knowledge they need to participate in and to create continuing prosperity. We are addressing this challenge through the reforms we have begun to introduce to Ontario's education system, starting in the early years and kindergarten and continuing through elementary and secondary education, and post-secondary education and training. At all levels, we have not only provided greater opportunity; we have made access to learning opportunities more equitable across the province, based on clear and high standards that will demand not only that our students give their best, but also that they receive our best.

We have invested our resources strategically to support our students, making sure that the priority is on the classroom rather than administration and bureaucracy. We are committed to making an Ontario education an education that offers our students a passport to jobs and hope, opportunity and growth, right into the 21st century. Employers will then have access to the skilled workers they need to compete and succeed in the global marketplace. People will have greater access to training and jobs. Our economy will continue to grow, create jobs, investment and opportunity.

Thank you very much. How did I do for time?

**The Chair:** Minister, you still have four or five minutes, if you want to add to your prepared remarks.

**Hon David Johnson:** I guess I didn't time that out. I will say that there are aspects of the quality program that are particularly pleasing to me as a minister. I came into this portfolio about a year ago, with considerable municipal and some provincial experience, but not with background at a school board, let's say, although with background as a parent. But the improvement in the quality, and the response I'm receiving when I'm out and about in terms of the new curriculum, have been phenomenal. People have expressed strong support in terms of designing a new curriculum at the elementary level, and those kinds of comments are now starting to come in at the secondary level, although the secondary level curriculum will not be implemented for another year, beginning 1999, but there is more rigour in it. Parents understand at each grade what the child has learned. Formerly, that was not the case. It might have been the case in grade 3 and grade 6, I guess, but in the intervening grades there was no clear



expectation. Parents and teachers felt they were in the dark in that regard.

**1610**

I think back to a day in early August, I believe — the middle of the summer, at any rate — when I attended, just to get a little experience in the marking of the testing that was taking place. The testing is now based on the new curriculum. This was mathematics, of course, that I was attending. The mathematics curriculum was introduced over a year ago.

The thing that caught me by surprise was the enthusiasm of the elementary teachers for the new curriculum, for the fact that there are grade-by-grade expectations and for the fact that this testing process was an excellent professional development tool. So many of them came up to me and expressed the view that they were delighted to be involved in the process because it assisted them in teaching this new curriculum in their classes, which they seem to feel very highly about.

The EQAO, in determining staffing for it, I believe needed somewhere in the vicinity of 1,800 teachers, but there were about 5,500 volunteers to fill these 1,800 spots. When 5,500 elementary teachers step forward to be involved in this process in the middle of the summer, when people might have other things on their minds, I think this shows that they felt very highly about it.

Another aspect, the literacy test, is something that many people in Ontario feel is long overdue at the secondary level. We recognize that some students will need assistance. That's why we have introduced the literacy test at the grade 10 level, with the opportunity that if a student fails, of course, there will be remedial action and another opportunity for a test and, if there's still a failure, more remedial action and more opportunities. But there seems to be strong support that when our students graduate they have a basic level of literacy.

One other aspect of the secondary school curriculum that I don't think was mentioned in my notes but that seems to resonate throughout the province is the volunteer component. This is not new in the world. There are other jurisdictions that have a volunteer component. I believe New Brunswick does — don't raise this in the House if I'm wrong on that. What we're hoping to achieve through this is that not only will our students have the benefit of a wonderful academic program through the new curriculum, but also the opportunity to become well-rounded citizens.

My experience has been that many young people already exceed the 40 hours, whether it's —

**The Chair:** Minister, I'm going to interrupt you and —

**Hon David Johnson:** Have I run out of time?

**The Chair:** You've run out of time. If you just want to finish.

**Hon David Johnson:** Many students already exceed this, but some students haven't had the opportunity to volunteer. Through this program — this 40-hour period through the high school period — I think that all students will get the opportunity and they'll become not only great students and graduates but well-rounded citizens of our province.

**The Chair:** We now turn to the official opposition.

**Mrs McLeod:** I'm going to direct my comments to elementary, secondary and post-secondary education, and my colleague, who's the critic for training and youth, will make some comments on the areas of apprenticeship training and the employment programs.

Dealing first of all with elementary and secondary education, we're going to be approaching this in the context that this is the first set of estimates we've had to deal with when the government was 100% responsible for the funding of education. That means that the government is 100% responsible for not only the funding and development of the programs, but the awareness of the impact of those funding decisions and programs on the classrooms across Ontario.

We want to be sure that the words the minister is offering today are matched by the realities of the funding and by the reality of what's actually going on in classrooms. It's in that light that we're going to be placing a large number of questions over the course of this estimate period. Our preference, quite frankly, would be to have an independent review of the funding formula. We'll be calling for that independent review tomorrow, but I'm not optimistic that the government is likely to agree. So this estimates period may be our only opportunity to shed what I hope will be some factual light from the government on some of the statements that have been made over the last month, which I think are subject to considerable dispute in light of the facts.

I'm just going to outline the areas in which we are going to be raising our concerns. Minister, I know you have another half-hour to respond, so I'm giving notice of a lot of areas you might like to respond to now. It would save us some time a bit later.

We'll probably be starting with the issue of pension funds. On page 50 it's quite clear that the payments of \$464.8 million, which you expected to have to pay into the teachers' pension fund until December 2030 and which are shown in full in your estimates statement for the full budget year of 1998-99, in fact cease as of January 1, 1999. That statement of clarification is in the estimates book. Our question is going to be, where do we see that allocation of the \$464.8 million in terms of reinvestment in the operating budget for elementary and secondary school education?

I know you have made statements about the stability of your operating funding, but you've not been forthcoming about the stability of overall funding, which includes the teachers' pension fund. So that leaves the question of the reinvestment of the \$464.8 million that is now unallocated as of January 1. It's somewhat open to question, and we'll appreciate your clarification on what you intend to do with that.

We are going to be asking some questions about per pupil funding. The statements you make about there being an increase in classroom funding, and that there has been no further cut in spending on elementary and secondary education, of course beg the question of increased enrolment over the next three years. You've not been prepared

at any point to factor in to any of the statements you've made publicly the increased enrolment expectations.

If we were to go back and use the Ernst and Young report, which your predecessor commissioned, that was a spending report for 1995-96 and use their calculations of per pupil spending in elementary and secondary education in Ontario, in 1995 it was \$6,032; in 1996 it was \$5,942; in 1997-98 it appears to be \$5,496, which is a steady decrease in per pupil funding for elementary and secondary school education since your government came into power.

We want to know, because you are making public statements about having made no cuts to education spending and because you're increasing classroom spending, what the actual per pupil spending will be over the next three years, in which you've provided for your supposedly stable funding.

Further to that, I want to take issue with the fact that in all the statements made on the funding formula, at no time did you take into consideration enrolment increases. I would like to have a figure from the ministry that clearly shows that if you had a stable population — no increases in students, so that the dollars that are going to be applied for increased population over the course of the next three years were not called on — what the actual cuts in your funding formula would have been. Essentially taking today's students and today's school system, what is the total impact of the cuts in their program spending?

I've been able to take from your funding formula announcement a total of \$900 million in cuts to the existing system. It's larger than that because there are some figures on which I've not been able to get data from the last estimates period, so I didn't have those data. I'd like some clarification as to exactly what the cuts were to the program as it now stands.

I'm not sure you'll be able to give me this, but I would like to know exactly what budgeting went into the funding formula for teachers. We know what the budget was for salaries. It was a very rigid, inflexible figure, and that is certainly creating tremendous difficulties at collective bargaining tables across the province. But what I'm also interested in knowing is exactly how much of a reduction in teaching staff you built into your funding formula. According to the backgrounder that you put out this week, you were anticipating the retirement of 9,500 teachers this year, or had received retirement notices from 9,500 teachers. You're expecting to hire 6,000 teachers and, as I pointed out in the House, there is a balance of 3,500 teachers. I want to know whether your funding formula estimates for the cost of teachers in the system was based on the assumption of 3,500 fewer teachers.

1620

The balance of my questions will also deal with the funding formula: with the inadequacy in funding, the inequities in the funding formula, the reversals in your funding commitment — and in some cases the disappearing funds — as well as the sheer confusion in the way the funds are being allocated.

I will want to know what Justice Cummings meant when he said that for some school boards to implement Bill 160 they would have to cannibalize the rest of their education system. I think the truth of that statement is being borne out by the fact that it is possible for some boards to reach collective agreements under the terms of Bill 160 and it is proving virtually impossible for other boards to reach similar agreements. I think that ties into Justice Cummings's statement that some boards would be forced to cannibalize their education systems, and I'd like your comments on that, as well as some explanation of why there should be such inequities in the funding formulas that apply to different boards.

I'm obviously going to be very concerned about the special education envelope. I raised an issue with you today, Minister, in terms of the decision that was made by the ministry to apply the mitigation funding to special-needs students. My understanding at the time the funding formula was released was that the mitigation factor was not to apply to special-needs students. It's clearly inequitable to apply the mitigation factor to special-needs students and it clearly creates two classes of special-needs students: those who received funding under your ISA program and those who did not. I would be interested in knowing, by the time the estimates committee meets next, whether boards indeed have received their special education funding. As of this morning, although you assured me that the cheques were in the mail last week — it must be a very slow postal service — the boards I spoke to had not received their special education funding.

I would like some information about the expert panel. You indicated today something I heard only yesterday, that there is an expert panel which is reviewing, I assume, the individualized funding program. I find it hard to imagine that we can have an expert panel reviewing something that is not yet up and running. I am hearing perhaps suspicious comments that you have abandoned the individualized funding formula and are providing not ISA funding but envelope funding to school boards to use at their discretion. I suspect it's because your funding envelope proved to be too limited to meet the needs you received, and I'd like some information as to how many applications you received, how many were granted and how your funding envelope has been adjusted to meet that demand.

I want some information about maintenance funding. I provided estimates based on the data put out by the Ministry of Education, in fact the data that were provided to each school board, on the accommodation factors. I know that boards are being rocked by those accommodation numbers. In many cases the excess space that is shown is greater than the boards themselves were calculating and enrolment numbers in some cases are lower than the boards believed they had in terms of numbers of students in their schools. But I simply took your excess space numbers and your provincial average school size and determined that over 600 schools could potentially be driven to closure simply by your numbers, recognizing the fact that you ceased maintenance funding for all spaces



that you considered extra. I have only your numbers to work with. I would very much appreciate what estimates the Ministry of Education made, using its own numbers, on how much dislocation of students, in terms of school closures, would be necessitated by the decision to withdraw the maintenance funding on September 1.

I'd also like to know the rationale — since you did move away from the requirement that boards close their schools by September 1 of this year — when you recognized that it wasn't possible for boards to close their schools by September 1, why you were not prepared to extend the maintenance funding for the similar year's period that you gave for boards to actually bring about the restructuring you were demanding.

Incidentally, my figure in terms of strict maintenance funding, and again all I have to work with is your extra space calculations and multiplying them by the 100 square feet per elementary school pupil and the 130 square feet per secondary school pupil that you say you were using in your funding formula, and then by the \$5.20 per square foot that you're prepared to provide for maintenance funding, that the extra space numbers would actually mean that boards are missing about \$185 million in maintenance funding this year. I'd appreciate your clarification of whether my numbers are accurate, and if you feel they're not, I'd like some accurate numbers from you, please.

I want to deal a little with the cuts to early childhood funding — and if it takes me as long to get answers to all the questions as it's taking me to ask them, I know I'm not going to get to all these areas. But I want to know what's happening on the junior kindergarten front; I want to know whether you're doing tracking data to show how many junior kindergarten classes are in fact higher than 25 students per teacher. I know that the \$147 million that was cut from the early childhood budget — the money that would have been used to keep grades 1 and 2 lower — has not been picked up by boards exercising the bribe of the early opportunities grant. I know that about three boards are looking at picking up the early opportunities grant. But I am very interested in knowing what data you're getting on class sizes in grades 1 and 2 particularly, because that's clearly where we're going to see class size increases with the withdrawal of the \$147 million.

I'm going to want to have some questions answered about textbooks, the fact that the prices were indeed much higher than list prices — the ministry acknowledged that last spring. The indication from the ministry was that you were going to negotiate lower prices. Nobody has seen a lower negotiated price. The question is: Was there in fact to be a rebate, is there a rebate, is there a lower price? If there is, why is the ministry charging the full ministry list price to the schools, and are you indeed going to have some purchases this fall that are based on the discounted figure that should actually have been charged to school boards for their textbooks?

Just very briefly before I move to post-secondary, I take issue with the fact that you have said in your statement that the budget for teaching assistants in the province is up and that the budget for guidance and libraries across

the province is up. Minister, I have to tell you that I find that — I guess we still have to use parliamentary language in the estimates committee. But looking at the teaching assistants number, you budgeted \$5 per elementary school student for teaching assistants, and the stories we get from parents are that that's not enough money to provide noon hour supervision, let alone any other form of teacher assistant. In secondary schools, you've provided no money at all for teaching assistants. If the reference in your statement is to special education funding, then that means you are using the same dollars to make two kinds of statement. There is no way that that's an increase in teaching assistants from the perspective of most boards.

In library and guidance, I'd be very interested in knowing how you could make that statement. Those two categories are combined in your funding formula, and your funding formula allows for one library or guidance person for 5,000 elementary school students and one library or guidance person for 385 secondary school students. I'd like to know: On the basis of what data do you make the statement that you've increased the funding in those areas?

On post-secondary education — I'm going to have to do this too quickly, and that's why it would be a good idea to devote some time to post-secondary. Obviously tuition increases and debt load increases are something we're interested in. I'd like to know whether the ministry is doing anything to track the increased debt load because of deregulation or whether that is simply an institutional responsibility now and data we may never be able to gather.

I want to get some information about student assistance. One specific question that comes from your remarks today is: How is much of a 30% increase in student assistance is actually due directly to loan default? When we have looked at this budget increase in the past, any increase in student assistance has been entirely due to loan default.

I want to know how many OSAP applications there have been, how many have been rejected, what the actual student assistance budget is as opposed to the loan default budget. I'd also like to know what the OSAP staff changes have been. I can't separate that out in the estimates book and there appears to be nobody there to answer the phone even if they're prepared to pay \$2 for the 1-900 number. So I'd like to know exactly how many staff are there. If I get time, I'd like to know why the provincial contribution to the bursary program for disabled students has gone down from \$2.2 million two years ago to \$1.2 million now. It seems to me that that's a very unfortunate way of using the federal government's money to decrease your own commitment to disabled students.

I'm wondering about capital funding, \$165 million needed just for maintenance in colleges and universities alone this year, over the course of the next 10 years. I can't find a line in the estimates that's specifically devoted to maintenance, and I'd like to know whether that is expected to be covered under the operating budgets or



whether there is a specific maintenance budget and how much it is.

I'd like to get into the issue of the satellite campus budget and the limitations that that is placing on the ability of northern colleges to offer satellite programs. The discounted BIUs, the fact that the \$29 million which was welcomed by the universities was still not enough to deal with the discounted BIU issue which COU says would take \$60 million to cover.

I'd like to clarify the fact that there is no new provincial money in the millennium scholarship fund, that indeed the money that was put into that fund was the loan forgiveness money you redefined as grants this year. I'd like some public clarification of that fact.

A couple of smaller issues that it might seem I missed are the reduced funding for independent learning centres and what that does to distance education and, while I'm at it, how you can expand the grade 6 testing program when you're reducing the budget for the EQAO by some \$3 million.

**1630**

Lastly, before I turn it over to my colleague, I'd really like some clarification on the double cohort that the colleges and universities are so concerned about. I know that they're asking for additional funding to deal with the double cohort, and I appreciate their concern. But I've looked at your secondary school reform proposals and I can't find where the double cohort is going to come. At this point, you have retreated from earlier proposals to limit the number of credits or the number of credit hours, and it appears that every student will require the same number of credits with exactly the same number of credit hours.

I don't know how you have taken a year off the secondary school program, and I would like some clarification of exactly how that is to happen: whether there is going to be a limit on the total number of credits a student can take, whether students are going to be asked to pay for any additional credits, and when the colleges and universities might expect the double cohort, if in fact you have one coming.

**Mr David Caplan (Oriole):** Mr Chair, how much time remains?

**The Chair:** Approximately 13 minutes.

**Mr Caplan:** I'm very glad to have the opportunity to make an opening statement here, and I'm hoping this minister will be held accountable for his actions as they relate to the young people of Ontario.

I'm going to speak in three areas: first, the minister's record regarding the management of his youth employment strategy; second, the minister's incredibly regrettable approach to reform of the apprenticeship system; and finally, how our Minister of Education and Training is limiting opportunities for young people in our province.

Let me start with this government's lamentable record on its management of youth employment programs. It has quite a history that culminated on March 5 of this year in an announcement of the renaming and reorganization of the career and employment preparation program. That

name has reverted to the job connect program. I agree that this announcement is long overdue. When youth employment levels are at twice the provincial average and when you have to drop the program targets because you didn't promote it properly, it is unbelievable to me that the minister didn't act sooner.

Let's review the history of the program. In April 1997, the government cancelled Futures and replaced it with the career and employment preparation program, CEPP. In October of last year, at about this time, the ministry revised its placement targets by 40% from 94,000 placements, which was again reiterated by the minister today, to 50,000 placements.

On January 29 of this year, CEPP was finally given increased flexibility to deliver services to those who need them most, the hard-to-serve and the hard-to-employ. Strict criteria for clients regarding the time they need to be out of school, training and work made it difficult to actually enrol young people in this program. At the end of 1997, youth employment agencies were given a small budget to develop their own local promotion programs. In March of this year, a year later, the minister finally started to put some money where his rhetoric was, to promote a program and at least try to make it work for young people. I'll be very anxious to ask the minister what successes he has realized with his advertising campaign.

I'm glad this government finally started to do what I had been lobbying them to do. When the design of this program makes it impossible for people to utilize it, and when you don't tell anybody about the program, of course it's going to be an abysmal failure. I am very sorry that unemployed young people in this province have had to wait a year for this minister and this government to pay some real attention to employment programs.

I'd like to turn my attention to the minister's regrettable approach to apprenticeship reforms. Last night I outlined my concerns at great length; it will be quite a bit abbreviated today. Just at the outset, it was extremely regrettable that the minister could not be there to address this very important and significant piece of legislation.

Last night I spoke about the record of consultation in regard to this bill. It is quite appalling. The parliamentary assistant to the minister spoke at great length about how the legislation is a reflection of what the provincial advisory council, the PAC, had been telling them all along. I want to state categorically and without any doubt: That is not the case. Let me briefly review the record of the minister and the ministry in this regard.

In December 1996, the government released a discussion paper and said it wanted to consult with all stakeholders in the apprenticeship system. After the consultation was complete, the participants were informed that they would be given a report regarding the consultation in the near future. That was interesting, because in the meantime a document called *New Directions*, a leaked ministry document which, as I understand it, had been signed off by nine assistant deputy ministers, was somehow made public.

That document outlined changes that were widely criticized by all participants in the process and by stakeholder groups. What did they criticize? They criticized the elimination of minimum educational requirements, the removal of full trade certification, tuition fees — the first time in Ontario's history that tuition fees would be imposed on apprenticeship — and the elimination of a two-year minimum program.

What did the government do? What was its next step? They said they would continue consulting before the legislation was introduced. In good faith, stakeholder groups continued to give input. They said: "Do not impose tuition," or, as I would say, an education tax. "Do not remove minimum educational requirements. In fact, do the opposite; raise the educational requirements. Don't eliminate the two-year minimum program."

When the government made its announcement, when the minister was up in Newmarket on January 19, his announcement was, "There will be tuition fees. We will deregulate the wages. We will eliminate the minimum educational standards," everything that the stakeholder groups, the employers, the employees, the journeypeople, the apprentices themselves, had said not to do. So this minister said: "Don't worry. Tell me your concerns. The legislation isn't drafted yet. Changes can be made." In good faith, those stakeholder groups, although I can't imagine why, given that history, gave input again. They said: "Don't impose tuition fees. Don't remove minimum educational requirements; in fact, raise them. Don't eliminate the two-year minimum program."

Then on the last day of sittings this spring the government tabled its legislation, Bill 55. What did it contain? The minister's promise to impose tuition fees, the deregulation of wages, the elimination of minimum educational standards, everything the stakeholder groups, the employers, the skilled journeypeople, the apprentices and other groups, told them not to do. So much for this government's listening and consultation process.

The stakeholders have asked for public hearings. The opposition has demanded public hearings. To date, the minister has refused to commit to them. I'm not surprised, given this history of consultation. You haven't listened before. But I was very interested to hear, and the minister will know, that the member for Simcoe Centre yesterday did commit to public hearings. I will be asking the minister to live up to that commitment and to make public his promise that there will be province-wide public hearings on Bill 55.

Aside from the consultative aspects, I have some serious reservations about Bill 55. The tuition fees are a significant impediment. We've seen this government's record on tuition. It is appalling that over the course of the mandate, tuition will rise 60% and that does not include deregulation. In fact, when the ministry's own user survey asked the question about tuition fees, half the respondents said they would not enter the skilled trades field. So the question is simply: Given that, why the imposition of tuition fees?

The elimination of the journeyperson ratio is a significant problem. It does put public safety at risk. It also reduces the number of journeypeople positions because, obviously, you're adding more apprentice positions and you will limit outcomes for apprentices because they will have fewer positions and options to go into.

The removal of minimum educational standards is absolutely appalling, given that most trades and stakeholder groups called for increases, but also because you do require a solid academic background to deal with the sophistication of trades and to deal with the changes of industry retraining, upgrading and skilling. In fact, a study in British Columbia shows that for those who have completed secondary school, their attainment and their skill bank in apprenticeship is enhanced for those who do not have that level.

The deregulation of wages in conjunction with the tuition will place a real burden on young people and older folks who wish to get into the apprentice area.

#### 1640

The change in the role of the provincial advisory councils is a very interesting one. Prior to the introduction of this bill, the role of the PACs was, and I quote, "all issues pertaining to apprenticeship." The new role and mandate is changed to read "to promote high standards in training and apprenticeship training," clearly a diminished role.

Another thing is the change of employers to sponsors of training. We wish to understand what the rationale is behind this. Does this mean that municipalities looking to employ social assistance recipients will be able to use this designation and call them apprentices? If that is the case, let that be said very clearly, because that is not what apprenticeship is all about.

The time requirements: Why the need to remove the two-year minimum requirement? By the way, a minimum can be a maximum of five years in the current system. To allow part-time, contract and self-employed workers to become apprentices is particularly mind-boggling. If anyone on this committee or anywhere else can explain to me how a self-employed worker can be an apprentice, I have yet to find that person. We'll be looking for some answers there.

There are other system administration issues. Apprenticeship will now be governed exclusively by regulation, quite interesting, given what we've seen, the fiasco of the government's education reforms, which take the same tack as found in Bill 160. With regulatory power, there has to be a level of trust. I must say that this minister has shown that he cannot be trusted to make these kinds of decisions. He has not taken the advice of stakeholder groups. He has not taken the advice of all interested parties. To give himself that kind of power certainly will be a betrayal of trust.

Finally, as the youth critic, I think it's my obligation to comment as well on the overall direction of this ministry and how it has limited opportunities for young people in Ontario. The post-secondary record of this government is absolutely abysmal. It's interesting to note that the business plan for the Ministry of Education and Training is



virtually silent on the issues of post-secondary education. The record on tuition fees has been well gone through, and I'm sure we'll have some opportunity to review that as well as issues around deregulation.

There have been significant reductions in the funding to universities and colleges. Ontario now ranks 10th out of 10 per capita in terms of funding of universities. Of course, each year we get an announcement from the Ministry of Education and Training of reforms and changes to the ability to access the Ontario student assistance program. It's interesting to note that these changes only make it more difficult for students to access that program. There are many examples. I can't wait for this year's round of changes, making it even more difficult for students to access much-needed assistance, given the cost burdens, particularly the cost of schooling but others as well. The cost of accommodation has certainly increased, given this government's record on removal of rent controls and vacancy decontrol. That has placed an enormous burden on students.

Further, I'm very concerned — and this is something that was highlighted by the Canadian Federation of Independent Business. They said very clearly that what was needed was to remove the stigma from the skilled trades area. I can tell you, Minister, that you will be further stigmatizing the area of skilled trades by imposing tuition, by lowering wages and by removing minimum educational standards.

**The Chair:** We now turn to the third party.

**Mr Wildman:** At the outset, I will indicate that we also intend to raise questions and try to get specific information about the funding formula as we go through these estimates. My colleague the member for Windsor-Riverside will be joining us. He's at another committee this afternoon, but he will be joining us later and raising issues with regard to post-secondary education and apprenticeship.

I'd just like to make some comments at the outset that I hope the minister will be able to respond to, either immediately or during the estimates. The minister indicated his satisfaction with what he refers to as the support for the curriculum. There has been some indication that there have been improvements in curriculum, but I'm wondering if he can comment on the fact that the new curriculum may not fit exactly with what he is doing with his textbooks.

I'll just read, for your information, a brief passage from an e-mail I received from Chuck McFadden on behalf of the Atlantic science curriculum project. He says:

"For the 60 leading science educators from coast to coast who have joined us in the Canadian science curriculum initiative and to all who were looking forward to the publication of SciencePlus Technology Society and the Environment as a choice for grades 7 to 9 science, we have some bad news.

"The Canadian Publishers' Council has informed Harcourt Brace Canada that the Ontario Ministry of Education will be announcing on the MERX Web site a December 1998 deadline for the publication of K-8 science materials for possible inclusion on their list. In response,

Harcourt Brace Canada has just informed us that it is cancelling its agreement with the Atlantic science curriculum project to publish a new edition of SciencePlus. With the loss of half of its potential market, it feels that it is no longer feasible to produce the kind of edition of SciencePlus that would be competitive."

Further on, he talks about the work on SciencePlus:

"We believe the result would have been a most worthy contribution to grade 7 to 9 students and their teachers across Canada. To say the least, we are greatly disappointed that this work will not be available as a choice for Canadian schools."

The effect of the deadline for new textbooks in Ontario, and what effect it's having not just in Ontario but across Canada, is something I hope the minister will respond to in terms of new curriculum and in particular the development of the science curriculum here.

Also, I'd like to know how many additional staff the ministry has taken on for processing and reconciling the textbook orders that the ministry has been involved in across Ontario.

With regard to testing, I really would like to know, as my colleague mentioned, how the new universal grade 6 testing that was announced last week will be achieved if the budget for the EQAO has been reduced, when you consider that moving from random testing at grade 6 to universal testing will double the cost from \$3 million to \$6 million. Also, I'd like the minister to indicate clearly whether the EQAO recommended moving from random testing at grade 6 to universal testing or whether that was a decision by the minister and the government, requiring the EQAO to comply. Also, I'd like to know what empirical evidence the ministry has to show that a universal test of all the students at the grade 6 level will give you more valid or better results than a well-designed random test.

I would like to get some figures. My young daughter is in junior kindergarten this year and she's in a class that was to be 27. It has now gone down to 25 because I understand two parents have withdrawn their children. It's 25, one teacher with 25 students, a combined junior kindergarten and senior kindergarten class, all day, two days a week one week, three days a week the next, 25 students with one teacher's aide. There's not much room in this classroom. I'd like to know what the numbers are: How many junior kindergartens are individually in these numbers and how many combined with senior kindergartens are we seeing that are having substantially above the recommended number of 18?

**1650**

I noticed you mentioned and indicated pride in the work that Dr Fraser Mustard is doing for the ministry. Since many of us are very familiar with the work of Dr Fraser Mustard, and I guess the minister expects — indicates he believes what he will report — anyone that's ever talked to Dr Mustard and knows about his work will know what he thinks about early childhood development. I hope then the minister, if he's so proud of this, and I think perhaps he should be, will make a commitment today that he will



embrace Dr Fraser Mustard's recommendations in his report and implement them.

I'd like to also deal with, in terms of curriculum, the issue that was raised in the Legislature today by my leader. I'm tempted to refer to this as an innuendo to project managers from Karen Allan, rather than a memo, since the minister used the term "innuendo" when my leader was reading from it. This is dated September 14, 1998, and it clearly states, "delete violence prevention, delete anti-discrimination, delete education about native people."

Why? How can you justify this in terms of curriculum in grades 9 and 10, particularly when we see the kind of multicultural community that we have become and the strains that that sometimes unfortunately puts on the school system and creates for students individually and collectively at the secondary as well as the elementary level. How can you accept a decision to delete violence prevention and anti-discrimination from the curriculum? And why on earth, considering the importance of our heritage, would we be deleting education about aboriginal people in our schools?

The suggestion that this somehow could be dealt with through a policy on how the schools are to operate rather than in the curriculum, if that's the explanation, is completely inadequate. A policy on how to organize and deal with violence in school, for instance, does not give indication and assistance to teachers on how to deal with that in the curriculum. How to involve questions around anti-discrimination in the English curriculum, for instance, does not come through in a policy statement on the organization and operation of schools.

I'd like to deal also with the questions around the numbers of teachers and this whole dispute that has led to the controversy and the lockouts and strikes and led to the back-to-work, back-to-school legislation and now the passage of Bill 63, which I understand is to be proclaimed by Her Honour this afternoon. I'm sorry to disappoint the minister but I did not accept the government's invitation to attend the proclamation of that. But I'd like to deal with this whole dispute.

Obviously the governments ads say, "We're only asking teachers to teach 25 minutes more. Is that too much to ask?" which of course is quite simplistic and doesn't deal with the real issues. If that's what the government were really asking of teachers, can the minister please explain why when teachers offered to lengthen the periods that they were teaching, the government refused, particularly when the minister says that he's not involved in the negotiations. Why would the minister write out a letter, a directive to boards? Why, if teachers are prepared to teach the same number of students the required number of minutes that the ministry wants them to teach, would the government say no? Why would the government say: "No, no, no, that's not what we want you to do. We want you to teach an additional period"; in other words, 25 more students.

How could that be, unless it's clear that the government intends that there be fewer teachers, and that's what this is

about, saving money by cutting the number of teachers. If that is what it's about, why don't you be honest about it and say so? Because what we're ending up with is fewer teachers teaching more students, not more time for an individual student with a teacher, as you know the minister full well knows, so why not just say so. If you don't understand the situation and you've said your staff has told you that they have to teach an additional period to get the required minutes, I'd like to hear that too. You haven't given any explanation of that despite the number of questions that have been directed to you about it, and I'd like to get that straightened out.

I'd also like you to deal with the fact that Bill 63 to this pass does not make any mention of guidance or library. Now, in my view, a library teacher is already teaching eight periods a day, if he or she is doing his or her job. They are teaching, they are carrying out their responsibilities as teacher-librarian eight periods a day. But there's no mention of this. What does this mean for the future of guidance and library since you've brought in a regulation, or are bringing in regulations, that are so strict on what everybody can do that there's no mention of these two types of teachers? What does it mean for the future of teacher-librarians in the system? What does it mean for the future of guidance counselling for adolescents in our secondary schools?

I've raised in the House the question of what's happening with the francophone boards and their negotiations with AEFO and how that relates to Bill 63. As the minister knows full well, these new large francophone boards did not exist prior to September so it was impossible for them to negotiate prior to September. So those boards in agreement with the teachers have decided to negotiate together across the province. They are working towards agreements by December.

The AEFO has made it very clear that the statement the minister made that, "If there were agreements reached before the legislation was passed, they could stand for the two-year duration of those agreements," would be used as discriminatory against the francophone teachers of Ontario since they had no chance to seek such agreements. Ms Chénier has requested that the proclamation of the Bill 63 be put off until September 1999. Since the proclamation is going forward this afternoon, obviously the government has rejected her request, and I'd like to know the rationale.

With regard to the new francophone boards and the need for the division of assets, I'd like to raise one particular concern I have, and that is in northeastern Ontario. We know that the English public and Catholic boards were asked by the government to reach agreements with the new French Catholic and French public district boards for the division of assets. If they couldn't come to amicable agreements, then it was to go to arbitration by the Education Improvement Commission. In this particular case, the francophone community in northeastern Ontario, Espanola, Blind River, Chapleau, Wawa and Elliot Lake, all made it very clear what they wanted.

There were literally — I'm not exaggerating — thousands of petitions signed in these small towns. There were public meetings in which the francophone community made it very clear what they wanted. They went to a hearing with the EIC, they made it very clear before the EIC what they wanted and the EIC made a recommendation which was the opposite of what they wanted. Despite the fact that the francophone community said, "In north-eastern Ontario there was this historic compromise that there would be Catholic education at the elementary level for francophone students, and in order to ensure a critical mass of students at the secondary level for francophones that they would have public secular education at the secondary level," the EIC listened to the recommendation, apparently, of an academic from the Laurentian who said that most of these assets should be transferred to the Catholic board, even though the francophone community was saying — I emphasize the francophone community both Catholic and non-Catholic — was saying they wanted it to remain with the public French board.

1700

Now I understand there has been a subsequent agreement of sorts arrived at between the new French public board in the northeast and the new French Catholic board in the northeast which is different from the EIC recommendation, and they are appealing to the minister to have that implemented. I'd like to know what the minister intends to do, because this is certainly not an indication that the EIC in any way listens to what people want. I'd like to know who they listen to. If these schools are to serve people, surely they are to serve the people who finance them in the province. How on earth can the EIC justify an attitude which seems to be, "We know better than what the community itself knows and what they want"?

With regard to the funding formula and what effect it's having and what it means for the closure of schools, I'd like to refer to a couple of media reports that I've just been given. This is from CBON-FM Sudbury, which is the French-language service of the CBC. It is stated that the funding formula will mean the closure of 10 primary schools in the north, and according to Francis Beauvais, many rural areas will lose their schools. This is for the new Catholic district school board of Nouvel-Ontario. Again, this is a representative of the board making it very clear that this is related directly to the funding formula.

The minister repeatedly says: "Boards have closed schools in the past, both under the Liberal government and the NDP government and other governments in the past. This is nothing new." The question is, if it's nothing new, why are there so many more boards being closed under your administration than there were under any previous administrations, except going back to the 1950s and 1960s when we closed one-room schools in the province?

The minister referred to a media report from the London Free Press today in the House where he referred to the Thames Valley board. It is true that the Thames Valley board says it may not have to close schools, as the minister indicated. He was pointing to that as evidence

that the funding formula is indeed flexible. My question is this: If the board proceeds on the basis that they will not have to close schools, they hope, and doesn't meet the province's December 31 deadline, and then subsequently comes to the conclusion that they do have to close schools, does that mean they will not be eligible for the funding if they need to construct any new schools?

The minister keeps saying that the boards don't have to meet a deadline, that it's up to them, but he also points out that if they want to get funding for new schools, they can't have what the ministry considers to be excess funding. It doesn't sound to me like a decision that is solely up to the boards, but is shared, and of course the minister holds the purse strings.

Another media report: This is CBCS-FM, the English service of the CBC in northern Ontario. This is quoting Doreen Dewar from the Rainbow District School Board. Ms Dewar, as you may know, is certainly not a supporter of my political party. She tends to be more along the lines of the minister's political party. She makes it very clear, and I'm reading verbatim from the transcript.

"Here in the Rainbow District School Board it cost \$14 million to operate our schools, that's in Espanola, Manitoulin and Sudbury district, and we are getting \$11 million so that's a shortfall of \$3 million. Now that's pupil accommodation grants. That means the schools, the operation of the schools, the maintenance of the schools and so on. We actually have three options that I think we're looking at. One is that we might close rural schools and bus kids into the larger urban centres. Another possibility is to put 7 and 8 into secondary schools and distribute the JKs to 6 among the other urban elementary schools and therefore close some smaller schools within the city. And a third option is to close some large secondary schools in the urban area. So we've got at least three possibilities we can look at."

Then further on she's asked if the new funding formula takes into account the needs of the north with respect to distances between schools and communities and the harsh winter conditions and the problems with busing that brings on. Ms Dewar says:

"I don't think it does. And certainly it doesn't take into account things like, well, washrooms, lunchrooms, computer labs, libraries, music rooms. You're funded strictly on a per-square-foot basis. You get \$5.20 per square foot and each student is allotted in elementary school 100 square feet and in secondary schools 120 square feet. Now it's a very elaborate formula but the bottom line when you work it through for the Rainbow district board is that we are \$3 million short."

As I say, this is not a New Democrat or even a Liberal. This is a Tory saying this. The minister keeps saying that this is just up to the boards, but she goes on with a rather interesting comment:

"We're trying to convince the minister that we require, especially our outlying schools and our community schools in the outlying areas — that is a very important part of any community."



Then she's asked whether she has a deadline, farther on. She says:

"Yes, we have a deadline. We have to get this under control for...the schools will have to be closed for September 1999. That means we're going to be starting looking at the reports from our administration no later than November and then we will start the school closure process in early 1999."

Ms Dewar makes it quite clear that the funding formula leaves that board short \$3 million; that it doesn't take into account the real needs of schools; that it is the minister and the ministry that have done this, not the board; and that their closing schools is not because they're short of students but because they're short of cash from the ministry. She also points out that they do indeed have a deadline.

In those schools that are not closing, I would like to point out what has happened as a result of the funding formula, even where boards are not closing a school. We're finding that maintenance has dropped substantially, that schools where they used to clean the rooms, the washrooms, the gym, the labs, everything every day or every evening, they're now being cleaned every second day. There have been lots of complaints about what this means for washrooms in particular. Now some boards are saying, "We will clean the washrooms every day but we won't clean the rest of the school as much."

1710

In some math classes teachers have complained substantially about the amount of chalk dust because of the failure to clean the boards every day. When this is raised with the minister he says: "These are just decisions by the board and their administration. It's not anything to do with the government." Of course it is directly related to the funding formula.

**Mr Young:** Come on, Bud. Chalk on the chalkboards, come on.

**Mr Wildman:** If you had to breathe in that chalk dust all day, you would know what they're talking about. Maybe I should relate to the parents and the teachers who have complained about this that the Conservative members find this amusing.

**Mr Young:** You are, you're amusing.

**Mr Wildman:** They find it amusing that people are having to breathe in chalk dust. The kids with asthma are particularly concerned about it.

**Mr Wayne Wettlaufer (Kitchener):** I am an asthmatic and I don't find that a major issue.

**Mr Wildman:** I'm glad to hear that. I'm not sure that all the parents would agree with you.

I'd like to know, particularly with regard to the funding formula, why is it that the government decided that schools have to operate at 100% capacity? In other words, they have to be overcrowded. Why is it that when the panel making recommendations on the funding formula to the ministry made the suggestion that schools be able to operate at 95% or 90% capacity, the ministry didn't accept that?

You've caused an enormous problem for school boards. If a school board in an area in southern Ontario has an inner-city school that is at 95% capacity, that means according to your funding formula, your spatial requirements, that they have extra space. You add up all that extra space in all those inner-city schools and it may come out that they have one too many schools, or more than one too many schools. They need to build schools in the outlying areas, in the suburbs, where the population is growing. But unless they move all those kids around in the inner city and close some of those schools to get rid of the excess space that you've decided is excess, they won't get the money to build the schools they need in the suburban areas.

Why is it that a school that has a classroom built for 25 kids has to have 25 kids in that classroom to be considered proper? Why can't they have 23 or 24 and still be able to build a school out in the suburbs where they need the classroom? Why do you have to close down all the schools in the inner city and tear the heart out of the neighbourhood, and completely separate from the educational issues, destroy the recreational programs that are carried out in that school during the evening and on weekends, as the school is the centre of the community? Why do you have to do that?

Why is everything put in the terms of these rather unreasonable numbers, and then you get up and say, "It's not our decision; it's up to the board"? Everybody who knows anything about this knows that it is in fact your decision. You're the one who decided on the funding formula. You're the one who decided these schools have to operate at 100% capacity. You're the one who is deciding that inner-city schools have to close, not because they don't have enough kids, but because you say unless they have 100% capacity, they don't have enough kids.

One of your backbenchers got up in the House last night and make a speech on Bill 63, a very sincere speech, in which he said he didn't understand why the teachers were upset: "After all, there is all this more money being spent in the classrooms. There is a new curriculum. There is a new report card. The teachers should be happy." I know that member and I know he was sincere. After he finished in the comments and questions, I tried to explain to him why the teachers were upset, because his central question was, "Why would secondary school teachers be unhappy about having to teach another 25 minutes?" I said to him: "They offered to teach 25 minutes more, for the same number of students they're now teaching, and the government said no. That's why they're upset." It wasn't the board, it was the minister, because at the bottom line this is about money, it's about taking money out of the system, it's about spending less per pupil for education.

**The Chair:** One minute, Mr Wildman.

**Mr Wildman:** If you're going to do that, you have to have fewer teachers, you have to have fewer staff, because between 70% and 80% of a board's budget is for salaries for staff, support staff and teaching staff. If you're going to take an enormous amount of money out of the system, as you and your government have decided to do, you have



to have fewer staff. It's a very simple equation. It's not hard math to figure out. So what this is all about is eliminating teaching jobs and having fewer teachers per student. Even though we've got more students this year as enrolment climbs across the province, we have fewer teachers. So we don't have more time for individual students with teachers; we have less.

**Mrs McLeod:** Mr Chairman, may I just take one moment to correct my own record? I made a statement earlier about guidance and library figures. I've gone back to my notes and the figure I read was actually for guidance. At the elementary school the funding formula allows one librarian to 752 students in the elementary panel, and one to 990 students in the secondary panel. I wanted, for the sake of accuracy, to correct that.

**The Chair:** Thank you. Minister, you now have 30 minutes in which to respond.

**Hon David Johnson:** I'm delighted to respond. There's quite a scope for response here, I might say. We started with the teachers' pension fund on page 50. As you'll appreciate, I'm not going to be able to respond to each and every question in the infinite detail that the questions were put, but with the teachers' pension fund I may call on staff from time to time to assist.

**The Chair:** If you do that, could I just ask that the staff who are called to the table and provide answers introduce themselves for the purposes of Hansard each time. It would greatly assist the recording of the proceeding.

**Hon David Johnson:** OK, they'll all take note of that.

I wasn't here, either at the provincial government or in the ministry, back in the late 1980s when I guess this started, with the government — at that time the Liberal government — wishing to make an arrangement whereby there would be a change in terms of the management of the teachers' pension fund. My understanding, and somebody correct me if I'm wrong, is that the government was fully responsible at that point in time and there was a desire this would be a shared responsibility of the pension fund. I'm seeing nods from behind me in that regard. So the Liberal government of the day, the way it has been explained to me, essentially made a decision that there would be a shift to a shared pension fund at that point in time.

However, it didn't get done. There was an election, an early election I guess after about three years of government at that time, and the people of Ontario didn't shine too brightly on the government of that era. As a result we had a new government in 1990, and that new government, the NDP government, attempted to pick up the pieces of this particular issue, albeit, as I understand it, the matter was basically laid at their doorstep; it was sort of a done deal, and make the best you can of it.

I believe it was somewhere around 1992 that the then NDP government reached a deal, presumably with the OTF. The government as part of that deal agreed to make payments of some \$400 million or \$500 million with regard to an unfunded liability that presumably existed at that point in time. Those payments were in addition to the regular payments, which I think now — I don't know what

they were then — are probably approaching the \$700-million to \$800-million mark or thereabouts, so the kind of total expenditures for the teachers' pension at this time is somewhere in the area of \$1.1 billion or \$1.2 billion. That may be reflected in the notes in front of us.

Over the years, you may appreciate that teachers, like people in any other profession, after they put in many years of excellent service wonder about the possibility of retirement and early retirement. In many public or private bodies there are sometimes opportunities for early retirement, sometimes as a result of reorganization or whatever reasons. The teachers had what's called the 90 factor, which meant that if age and experience added up to 90, then they had the opportunity to retire at essentially an unreduced pension. This is the best way of explaining that.

However, in other fields, there were many opportunities that were more generous than that, and there had been discussions with regard to, for example, an 85 factor. Many teachers had expressed great interest in this. These may be teachers who have had 30 or 35 years' experience and when added to their age might come up to 85, might not come up to 90. But many teachers felt that after that number of years' service, perhaps they were deserving of consideration for early retirement. I'm sure many teachers have undoubtedly made submissions in that regard to everybody around this table through those years, made submissions to the OTF and made submissions to the government, encouraging any sort of resolution of that matter.

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We were pleased to sit down with the OTF and to make that arrangement. As a result, the 85 factor is in for a period of about three to four years, I think it is, until the end of the year 2002. Part of the arrangement is that if the experience gained in the plan is such that there is no unfunded liability, then I guess the payments for the unfunded liability would essentially cease and desist. But nobody knows for sure when that's going to happen. There may be speculation, and I guess the speculation here is that it's expected to occur in January 1999, but we don't know that. I don't think anybody in this room knows that for sure. An actuary will be looking at the plan and determining, I guess, if it has happened in the new year, and if it has, then that will click in. But it's a little premature to be spending monies that may or may not materialize. One can always hope that the experience gained is such that the unfunded liability has vanished, but one might be prudent to actually see if that's the case rather than guess at what an actuary is about to uncover and recommend in that regard.

Nevertheless, I will say that perhaps the funding in education shouldn't be solely determined by the luck of the draw or by the experience gained in the pension fund, or the lack of experience gained. Surely we want our elementary and secondary education to be on a much stabler footing than that, and that's the way we've gone about it.

The fair funding formula, an issue that has been raised in a number of the submissions, perhaps all of them, does

allocate for the first time I'm aware of, fair funding to all the school boards across Ontario. I believe that everyone in this room has had it brought to their attention that there has been an inequity in the funding available to school boards in the past. I think that really hits home when you look beyond the boards and into the schools and the classrooms. What it means is that the children, the students in the classrooms across the province, have not had the same amount of resources directed to them. There has been a variance, a variance that I find impossible to explain.

Why should a child in a certain board in a certain part of Ontario have access to more resources than a child in another part of the province simply because of the accident of birth or of where the child happens to go to school? Does that seem fair? No. I find it hard to believe, and I'm sure nobody in this room would believe that was a fair situation. I'm going from memory now, but my recollection is that some boards, particularly in rural Ontario, would have had access to somewhere between \$4,000 and \$5,000 per student on average, whereas other boards in more urbanized areas may have had in the vicinity of \$7,000 per student on average.

Again, the reasons that this has developed obviously pertain to the assessment base. In certain areas the assessment base is very strong and the local boards had the capacity to tax and to raise funds, whereas in poorer areas of the province the boards didn't have that same capacity and as a result didn't have access to the same number of dollars and had to make do, which translates into lower resources for each student. I don't know. I guess some boards, even with lower resources, have put forward excellent quality programs. It's more of a challenge. But I think we'd be hard pressed to say that the students right across the province received the same educational opportunity as a result of this vast difference in funding. This government felt that that could no longer be tolerated, that in the province of Ontario a student is a student, a child is a child, and they all need to be treated the same. As a result, we have the funding formula that's before us today.

There's another basic aspect of this funding formula which is important, and that is the amount of money that's directed into the classroom. I know that one of the highly respected former cabinet ministers of the province, John Sweeney, was appointed by the previous government.

**Mr Wildman:** Highly respected.

**Hon David Johnson:** Highly respected. He did an investigation. I'm not sure what the full study was, but part of the study at any rate, and an integral part of the study, was the funding that was involved in education. It was his conclusion that around 50% of the funding going into elementary and secondary was directed outside the classroom, was not ending up in the classroom. This is a suspicion, I guess, that —

**Mr Wildman:** It depends on how you define "classroom."

**Hon David Johnson:** It's his report. He defined it. I'm only telling you his conclusions.

**Mr Wildman:** I think he took your definition.

**Hon David Johnson:** If you have a row with Mr Sweeney, then I'm sure you and your colleagues to your left, the Liberal Party, may want to have a row with Mr Sweeney, but I'll leave that to you. I'll simply leave it that he was a highly respected member of this Legislature, which we have all agreed on, and I'm sure his report deserves a good deal of respect.

Parents have long had the suspicion, and certainly I can remember from the days of being involved at the municipal level when the tax bills would come in, people looking at their tax bills — and as we're all aware, the education portion of the tax bill in Toronto was about 65% and in many areas it was 75% or thereabouts — senior citizens, working-class people with families struggling to get by, small business owners, you name it, people who were trying to make do in our society were really expressing concern to me as a local elected representative, whether at the councillor level or at the mayoral level, directly through the public forums we had.

At those public forums around tax time where there was a representative from the school board, a representative of the local municipality and a representative of the region, invariably the vast majority of the discussion focused on the school board and were the monies being well spent. There's no question that the input I received through those years was that people were not happy with the way the money was being spent. They agreed with Mr Sweeney that too much of the money was ending up outside the classroom, in a bureaucracy, in administration, not being effectively used, and not only were the children not getting the advantage of this money to its full extent but the taxpayers were being taxed beyond their ability to pay.

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Those are two pretty important concepts going into the funding formula and, as a result, the formula does direct more money into the classroom. We haven't entirely used Mr Sweeney's definition. Our definition was that formerly about 61% of the monies were directed to the classroom, whereas through the new funding formula we've increased that to about 65% with a difference of maybe 4% or 5% more going into the classroom as a result of the new funding formula, which is certainly a step in the right direction.

Inevitably, that means less money is going outside of the classroom, to which most people would say, "Hurray." Most people might say, "It should even be less yet," that the 4% or 5% decrease in monies going outside the classroom should be even lower. But there certainly is a role for non-classroom activities, the administrative functions etc, at a certain level. That's basically what we've ended up with.

I might say there's been a question about the operations component, going into the maintenance of schools. Again, there's a vast variance across Ontario in terms of monies which have been allocated for the operation and maintenance of schools. I think we do a disservice to some school boards by saying that those boards which have spent the highest automatically know the precise, right way to



approach operations and maintenance, because there are many other boards across Ontario that have spent less money on operations and maintenance. They have found more efficient ways to deliver that service and there's quite a remarkable difference. Best practices, I would call it. So the question is, on behalf of the taxpayers of Ontario and also on behalf of the students and teachers: Should we not take advantage of those best practices and should we not insist that all boards look at the best possible way to deliver the kinds of services that are not being directed directly into the schoolroom? If some boards can deliver basic operations and maintenance at a lower cost, then all boards should be encouraged to look into it and be more efficient.

In terms of the funding formula, we have taken a median. Some boards are already spending less than that. So on a square-footage basis some boards will actually see an increase in their budgets and may not know what to do with the extra money. Other boards which have spent beyond the norm, beyond the median, will see a reduction, but we're not asking them to do anything that other boards are not already doing. If board A can deliver an excellent level of service for less money, why can't board B do the same thing?

I might say that when you look at the numbers in general, some people may say, "Well, those boards that are spending less are probably new boards with new schools and different circumstances," but it doesn't seem to be that easy. Some of the big boards are spending less money, and some of the big boards are spending more money. The same with small boards. Some boards with older schools are spending less money and vice versa. We've also taken into account in the formula that there is an extra adjustment for boards that normally do have older schools though.

That is the basic approach to the funding formula, which I think is a fair one. It allocates more monies to the classroom. The reckoning of the finance division of the Ministry of Education is that there will be some \$580 million more directed into the classroom over the next three years. Those monies are spent on the kinds of services that I guess I have outlined in the House many times. You're probably bored to death from listening to me recite them, but they do include teachers. The bulk of the money of course is for teachers. The bulk of that \$580 million more will be for teachers, but it also includes supply teachers, textbooks, computers and supplies. These are computers going into the classroom, I might say, not computers that are used for central administration. It also includes library and guidance. It includes paraprofessionals such as speech pathologists, for example. Across Ontario more money has been allocated to each and every one of those categories.

Can I guarantee that each and every board has a higher allotment of each of those categories? No, that's not possible, but each and every board will have more money in total in the classroom. They have room within the classroom funding to vary the expenditure. Some boards may feel they need fewer supply teachers and more teachers or

vice versa. That's up to them. They can make those kinds of decisions. They are restricted in terms of special education. We have put an envelope around special education so that they can't spend those monies on anything else. Beyond that, they do have flexibility. They also have the flexibility, I might add — those boards, for example, which are spending less on operations and maintenance and which do benefit from the funding formula are free to take some of that extra money and invest it in the classroom. They may wish to buy more textbooks, they may wish to buy more computers, they may wish to have more teachers: those freedoms they do have.

**Mr Wildman:** How much of the \$580 million is for cleaning, lighting and heating?

**The Chair:** You'll have your chance, Mr Wildman.

**Hon David Johnson:** In terms of beyond the classroom, as I mentioned, the monies in total will be reduced. But again I think the people of Ontario would say, "Hurray," to that.

Bill 63 was alluded to a couple of times here tonight, particularly since it's receiving royal assent today. Bill 63 came about because it was certainly the government's intention last fall when this whole topic was debated that we would be looking at defining — instructional time was generally known. It was never defined in any act. No party had ever defined it in any act. The term "pupil" is another term that's not defined in any act. I think there are other examples of common words. Can you think of one of them? Class. "Class" is not defined in any act. The Liberal Party didn't define it, the NDP didn't, we hadn't in previous years. Lots of these terms aren't defined. Our view is that parents and the government and the people of Ontario would deem instructional time to be teachers' time in the classroom teaching kids.

But with the negotiations underway, obviously other factors were creeping into this definition and I might say that many of them, perhaps all of them, are legitimate in their own right. Supervising cafeterias, I'm sure, is something that has to be done. Supervising and monitoring of hallways, I'm sure, is a necessary task that's important in some or all schools, but it's not instructional time. Instructional time does not take up the full day. Instructional time is defined in terms of 1,250 minutes per week at the secondary level and 1,300 minutes per week at the elementary level, and when you factor that on a day-by-day basis, it works down obviously to the four hours and 10 minutes at the secondary level. That still leaves the rest of the day for other activities, all required activities and certainly preparation time is one of those activities which we would all insist be part of that extra day, and hall monitoring and cafeteria monitoring and that sort of thing. But in terms of our definition of instructional time, they would not be included. We indicated through this process that since there was, in some minds, a lack of clarity on this matter that we wouldn't rip open any contracts that have been signed until this matter was dealt with by the House.



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The matter has now been dealt with by the House. If royal assent does indeed occur today, or has occurred, then my understanding is as of midnight tonight that will be the definition of instructional time. While that won't be retroactive, and my guess is that most people here would at least say it shouldn't be retroactive, it does pertain to any future agreements that are reached.

Testing has been alluded to. My recollection is that the Royal Commission on Learning also had a good deal to say about testing and was a proponent of testing. The EQAO certainly has views on testing. The EQAO's Joan Green was in attendance at the announcement of grade 6 testing, very supportive.

You know who I think the ultimate authority on testing is? The ultimate authority is the parents. If you really want to know about testing, why don't you talk to parents? Certainly I get a lot of input from parents and parents are very supportive of the testing. It gives them a good window, not only into their own child's progress — parents want to know how their child is progressing and the testing allows that to happen. It gives a window into the progress of schools. Parents want to know how their school is faring. Under the previous system it was difficult to know if their child was getting the benefit of the kind of education that other children in Ontario or in other provinces were getting, if they're having an education that is competitive in this world that we're involved with as we come into the 21st century.

It was really hard to understand, but now, with the test results, the parents know how their child is doing, how their school is faring, how their board is faring. The board, in terms of making decisions, will know how schools are faring, how the board is faring. If a school is not doing too well on the testing, the board will have the opportunity to address it through resources or whatever is required. Some parents — I'm sure you've all heard this — will say that even within a board the money has not always been allocated, in their estimation, in the fullest of fairness. I think this will assist the school councils, the school boards, everybody involved in education to ensure that every child is treated equally and fairly in our system.

The EQAO is getting its \$6 million to do this. They've assured us that for the \$6 million they'll be able to do this. Grade 3 testing is carrying on. They have the adequate funding to do grade 3 testing, grade 6 testing. My personal desire, I might say, is to expand.

There's no announcement here today. I'm not making any announcement. I'm sure you're all sorry to hear that I'm not here to make an announcement in that regard, but I'd like to expand it even further. I think, as we get experience, that's something that could well happen in the future. I certainly will be looking at it with a positive eye.

The textbooks were mentioned a few times today. I can't remember all the exact points that were made. I'm sure they were all positive points because this has been one of the best successes in education in the province of Ontario and one I can tell you this government is extremely proud of. It's been a battle along the way

because there have been people trying to stall this and slow it down and deny those books flowing into the classrooms.

If you're a principal in a school you may have received a discount from a particular board. If you look at the list price which has come out from the distributors in the first instance, before we know what the discount will be — because the discount pertains to the volume of books, so you can't know what the discount is going to be up front until you know the exact volume of books. If you compare a discount you may have received in the past with the list price, and the list price also includes shipping and handling, for example, on top of that, then it may look as if the price is more expensive. But in each and every one of the examples we looked into — two science books, a language book — we've determined that the price the ministry has received has been better than the price at which the individual has formerly purchased the book.

We've had excellent value for these books, a \$13-million discount, and that \$13 million is going to be plowed right back into the system — science equipment, more textbooks, computer software. It's going to be great.

**Mrs McLeod:** So you are using the rebate for more textbook purchases?

**Hon David Johnson:** Sure, there are going to be more textbook purchases, more science equipment.

**The Chair:** We'll just do a quick segue. The next component is 20 minutes per caucus. We'll start that with the official opposition today and then continue into our next session.

**Mrs McLeod:** It's tempting to pick up where the minister just left off.

I said I was going to start with the pension issue. I understand you to have said at the outset the \$464 million which is not going to be paid out as of January 1 for the next year you're holding in abeyance because you're not confident with the actuarial figures that you have on the stability of the teachers' pension fund. Did I understand that correctly?

**Hon David Johnson:** I'm not an actuary and to presuppose that the experience gain — you see, what's happening here is the fund is gaining because of the investments they make.

**Mrs McLeod:** Right.

**Hon David Johnson:** But you only need to look at the market over the past few months to realize that you can't guarantee that investments go up continually. Many investments have gone down.

**Mrs McLeod:** So what you're telling me then is that at the ministry you have two options. You've reached an agreement with the teachers that I thought was actually a bilaterally reached agreement, but you may suspend that agreement on January 1 if you're not satisfied about the security of the fund and you would then continue to invest your share of the \$464.8 million. You would invest that in a pension fund to keep it stable. Obviously you can't require that that be matched because that was a part of the bilateral agreement. Can I have your assurance then that if you're satisfied that you don't need to continue to invest

that \$464.8 million in the pension fund, you will reinvest it in operating on elementary and secondary schools, on top of the current funding levels on the operating line?

**Hon David Johnson:** First of all, I need to correct — when you say “suspend” an agreement, there’s no suspension. The agreement will be carried through in its entirety. The agreement will be honoured in its entirety.

**Mrs McLeod:** Then tell me what that means. Does that mean \$464.8 million in payments stop on January 1?

**Hon David Johnson:** If I can get a word in here, yes, the agreement is that once the experience gain essentially wipes out the unfunded liability, then the payments would cease and desist at that point in time. But only the actuary can tell that. This requires somebody with considerable experience and financial ability. It’s not something that the minister or any politician could say when that’s going to happen. There’s an expertise involved. When that happens, that will cease.

Our approach to education is not based on what happens or doesn’t happen with the pension plan, because the experience gain might not be wiped out until a year later. We can’t base education funding on something that may or may not happen, so what we’ve done is base it on a solid footing, on a per pupil basis right across the province. We’ve guaranteed the funding over the next three years, at least \$13 billion, plus there will still be pension payments to be made. The regular payments will be made — it’s only the unfunded liability payments that are in question — plus all the other investments we’ve made. This school year will total pretty close to \$15 billion. That will be more spending in secondary and elementary education than ever before in the history of Ontario.

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**Mrs McLeod:** That does confirm what we thought originally, which is that the annual reduction in teacher pension funds will be withdrawn from your overall funding for education and will be a saving to the government directly and not reinvested.

With that in mind then, can you give me your per pupil funding estimates for elementary and secondary over the course of the next three years of your supposedly stable funding? I’d like to have your enrolment numbers, your projected enrolments, in order to know what basis you’re using for the per pupil funding.

**Hon David Johnson:** I’m not sure if anybody here has come equipped with precise numbers. My —

**Mrs McLeod:** I’m prepared to have it tabled.

**Hon David Johnson:** Nancy Naylor, I guess you want to introduce yourself.

I have to go back to the statement that the administration and non-classroom monies are being reduced. I think that’s key. I bear no shame in that. I’m proud of that, because we want to spend more money in the classrooms. But per pupil, the non-classroom funding will go down. That’s what people have been asking for for many years. In terms of within the classroom, my understanding is that over the three-year period the per pupil funding will be higher than it was in 1997.

**Mrs McLeod:** I’m asking for the figures, including your enrolment figures, please.

**Ms Nancy Naylor:** The minister’s statement is correct.

**The Chair:** Excuse me, could you introduce yourself for the record.

**Ms Naylor:** I’m Nancy Naylor, the director of the education finance branch in the ministry. As I said, the minister’s statement is correct. Our analysis is that classroom funding does go up on a per pupil basis. Although we don’t have the figures here at the moment, we could provide those.

**Hon David Johnson:** The other point is that in terms of enrolment, nobody knows precisely what the enrolment is going to be.

**Mrs McLeod:** I’m looking for the estimates on which you base the statements that you make publicly. I’ll expect those on Tuesday then. Thank you.

There are several kinds of figures that we would like and obviously we’ve raised a number of the areas. I suspect that you will not be able to give me an estimate on how many fewer teachers you based your allocation for teachers on, but I would appreciate some figures that would give me some sense of what you put into the funding formula.

**Hon David Johnson:** In fact, the funding formula is based on at least 3,000 more teachers over the next three years.

**Mrs McLeod:** I’m asking for this year. I’m asking for current enrolment levels.

**Hon David Johnson:** We’ve been attempting —

**Mrs McLeod:** If you’re going to give me future figures, I want those always in the context of enrolment. I want to know teachers per student, if that’s what you’re going to give me. I want to actually see whether or not you are calculating more teachers for your students rather than fewer teachers.

**Hon David Johnson:** We will certainly do our best to get all of this information. I will say that with the caps on the class size, that —

**Mrs McLeod:** And the increase in instructional time.

**Hon David Johnson:** — the teachers will be no longer teaching classes with increasing numbers of students in them, which —

**Mrs McLeod:** You provided a funding formula which was supposed to be adequate.

**Hon David Johnson:** — is most important. One interesting thing is that I’ve heard boards with average class sizes of 29 are having to reduce that down to 25 at the elementary, or boards at the secondary level having average class sizes of 25 or 26 having to reduce that down to 22, which means that creates more classes and more teachers. All of those new teachers have been factored into the formula.

**Mrs McLeod:** It’s a very straightforward question. I can trade statistics with you all afternoon. I’ll show you how many classes are increasing.

**Hon David Johnson:** That’s why over the period of three years there are actually more teachers.



**Mrs McLeod:** Why don't we, then, ask you for your statistics, if you're keeping any statistics. I'd like to see how many classes actually exist that are over your 22 and 25, and how many are under 22 and 25. You may not have those statistics yet, but let me put on record that I would like to see the kind of tracking so that we know exactly what happens when you apply averages.

But my primary question now is, I want to know what went into the funding formula in terms of your calculations of numbers of teachers that would have to be funded, or is that, like school closures, not something that even gets considered by the ministry? Have you just come up with arbitrary figures: "Here's the salary; here's a lump sum per student; here's our given budget"? How did you come up with the figure that you gave to the school boards for the funding formula for providing teachers per student? Did you not base it on how many students per teacher you were going to have, including your increased instructional time?

**Hon David Johnson:** First of all, I don't want you to dismiss the average class sizes —

**Mrs McLeod:** No, I'm not. I just want the instructional time included.

**Hon David Johnson:** — which you did in terms of your introduction. Yes, there are class sizes which are larger, no question about that. There always have been. When you were in power there were; when the NDP were in power —

**Mrs McLeod:** The average class size stays stable. I appreciate that.

**Hon David Johnson:** The average class size has gone up, and they've gone up at the elementary level each and every year. I haven't gone back into the 1980s, but —

**Mrs McLeod:** You froze the average class size at the current levels.

**Hon David Johnson:** Right.

**Mrs McLeod:** That should not have increased or decreased overall teachers. I want to know how much you've estimated —

**Hon David Johnson:** But it has before. Over the seven years before, it went up each and every year at the elementary.

**Mrs McLeod:** That's not the question.

**Hon David Johnson:** And then we stopped it. If we hadn't done that, they would carry on and continue to grow, and you know what that means. Yes, there are class sizes that are larger, but that means a class size of 35,

which there are in the province of Ontario, would be 36 or 37 and the smaller classes would be larger.

Nancy, maybe you can respond in terms of the formula and the —

**The Chair:** Minister, I'm going to interrupt you just to say that we will resume this questioning tomorrow. We have a brief point of order.

**Mr Wildman:** Just a point of order for the clerk and Hansard to respond to.

**The Chair:** Pardon me, I want to just correct that we will resume next Tuesday at 3:30. Minister, is there any reason that you'd like to share at this time that you can anticipate being delayed for that session?

**Hon David Johnson:** The reason I'm delayed, if I am, is because I'm involved in speaking in the House, but that can't be possible, presumably, because we wouldn't sit here, or because the media have an interest in talking to me. I wouldn't want to presuppose what the media would have in mind next Tuesday afternoon. I feel an obligation, as I'm sure you can appreciate, to speak to the media if they wish to ask me questions.

**The Chair:** We appreciate that. I just want to apprise you on behalf of the committee that the segments are seven and a half hours, and right now we're looking at some makeup time. If that became consequential, there may be ways we can work it out informally. I hope we can, but if it becomes more consequential, we're looking at an additional day and inconvenience. We'd like to work with you to avoid that.

**Hon David Johnson:** I assure you I'll do my best to be here promptly, given all my other obligations.

**The Chair:** Thank you very much. Mr Wildman, do you have a question?

**Mr Wildman:** I've just got a short question. Perhaps the clerk or Hansard could respond. How soon will the draft transcript of this session, the immediate Hansard, be available?

**Mrs Beth Grahame:** I think I'll request that this have immediate transcription.

**Mr Wildman:** Good, because that way, when I get my 20 minutes, it'll give the minister the opportunity to answer the questions I asked.

**The Chair:** I just want to ask Mr Young, and perhaps Mr Wildman and Mr Cleary — there were just two very informal, brief matters.

Thank you, Minister.

*The committee adjourned at 1758.*







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## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Tuesday 13 October 1998

# Journal des débats (Hansard)

Mardi 13 octobre 1998

## Standing committee on estimates

Ministry of Education and Training

## Comité permanent des budgets des dépenses

Ministère de l'Éducation et  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 13 October 1998

Mardi 13 octobre 1998

*The committee met at 1527 in committee room 2.*MINISTRY OF EDUCATION  
AND TRAINING

**The Vice-Chair (Mr Rick Bartolucci):** I'd like to welcome back the minister and staff. It's my understanding that we have eight minutes left in the official opposition portion and then we'll move to the third party, then the government and then we'll continue the rotation. Mrs McLeod, do you want to start? The meeting is underway.

**Mrs Lyn McLeod (Fort William):** I want to use this eight minutes to focus on two particular areas. As I indicated on the last day, there are a number of areas. I'm not sure if we're going to get to cover them all.

The two I'd like to focus on right now are the issues of school closure numbers and plant maintenance numbers. I had indicated that I would be very interested in knowing the minister's estimates of the numbers of schools that they predicted might close just based on their own excess space numbers. I've shared with you how we calculated ours using basic ministry figures. I'm wondering whether you have a figure of approximately how many schools you thought might be affected by school closures, given your restrictions on space and maintenance budgets, and how many students would be involved in potential closures.

**Hon David Johnson (Minister of Education and Training):** This is a question that has been posed in the House and I can't give any different answer here than I have in the House. The issue of accommodation is one that school boards deal with on an annual basis, as they have with all governments, whether Progressive Conservative, Liberal or NDP. I don't think there's a year in recent history where school boards haven't decided to change their accommodation patterns involving the closure of some schools. That's true right through all three governments, and my guess is that that will probably continue in the future.

As I mentioned in the House about a week ago, in September there were some 20 schools opened across Ontario, and I wouldn't be surprised if school boards didn't come to the conclusion that they also would close some schools where they didn't that there was a need or use for them. I have no way of predicting what conclusion school boards have come to. I know that in Thames Valley there was some thought, and I think it was in the media, that some 20 or two dozen schools possibly would be

closed by the board. But the board changed its mind, and at this point in time apparently is not closing any schools. I think in Niagara there was concern two or three months ago that about 30 schools were going to be closed and the board said, "No, that's not true." In fact, they may be looking at, I don't know, three or four schools, and the same thing in Ottawa, where there was concern that a number of schools were going to be closed and the board tried to put an end to the rumours there.

I don't think it's fruitful to speculate or to forecast. I know that boards are working with the parents in their communities. Community input is very important. There are lots of community activities that take place in these schools too, recreational activities, social activities, and community organizations may wish to be involved as part of the process and part of the solution. I would encourage it if they do.

**Mrs McLeod:** Thank you. Mr Minister, I am going to try and give you very specific estimates questions. I feel that's part of the responsibility of this committee. If I undertake to do that, I hope you will undertake in kind to give me specific, factual and statistical answers in response to the estimates questions that I'm asking.

I'm already on record as expressing my concerns about the irresponsibility of a minister who could put out figures that say there's 320,000 square feet of excess space and not have given any thought to what that might mean in terms of school closures. I'll let that stand.

I'll ask you the next question, then. What you've just described as boards' responses to the school accommodation numbers in terms of not closing schools is not a full and fair reflection of what boards are saying, which is first of all that they can't meet your December 31 deadline and won't meet it. Second, they cannot face the closure of schools of those numbers because they don't believe it's in the best interests of their students. What that will mean for those boards is that they will try and operate what you consider to be excess school space without the maintenance dollars to heat, light and clean those spaces.

My question, Minister, is on the maintenance cuts. I am wondering if you can give me a figure on how much has been cut from the maintenance budgets of all school boards in this province, and a comparison between the year in which you were providing 100% funding under the funding formula and the previous comparable year for all school boards in the province. If you have those data, I would appreciate receiving them.



Second, I would appreciate your verification of the numbers we have produced, which is simply taking excess space numbers, multiplying by 100 square feet for elementary school students and 130 square feet for secondary school students, and multiplying that by the \$5.20 per square foot at which you fund maintenance. We assume that the excess is space which you are not funding. We have a letter from you confirming that you do not intend to fund anything which you consider excess space. We assume that you're still looking at the 100 square feet and 130 square feet and the \$5.20. We would be happy to receive correction on any of those factors so that we know exactly how much maintenance money has been cut from school boards under your funding formula.

Our figures would show that secondary schools would be over \$77 million in missing funds and elementary schools about \$107 million in missing funds. There may be some extenuating circumstances such as special factors for francophone boards. I'd appreciate knowing whether there are. Apart from that, I would appreciate either your figures or the verification of our figures.

**Hon David Johnson:** The problem with specific numbers is that some of the numbers aren't always correct.

**Mr Bud Wildman (Algoma):** Sometimes they're embarrassing.

**Hon David Johnson:** Yes, sometimes they are. For example, we were told that 10,000 teachers would be fired.

**Mrs McLeod:** Mr Chairman, if I may. Minister, I'm hoping you will give me answers to estimates questions.

**Hon David Johnson:** If you can believe it, Mr Chair, there were entities, parties, I guess, which indicated that there would be 10,000 teachers fired in Ontario.

**Mrs McLeod:** That's why I'm asking you to verify, correct or submit your own figures.

**Hon David Johnson:** I realize it's embarrassing to be on record as having said that —

**Mrs McLeod:** No, it's not at all. "Embarrassing" means you will not give me a response on your own figures.

**Hon David Johnson:** — particularly in a day and age when school boards, as the chair of the Toronto board indicated, are going to have go out and hire teachers.

**Mrs McLeod:** Do you have maintenance cuts figures, Minister?

**Hon David Johnson:** The critic from the Liberal Party may not believe this, but I've had one or two boards saying that there may be a shortage of teachers.

**Mrs McLeod:** Minister, do you or your staff have any figures for the cuts to maintenance budgets in school boards?

**Hon David Johnson:** They're hiring so many new teachers into the system, and every teacher that was hired certainly would have a job in Ontario, plus many more teachers, new teachers.

**Mrs McLeod:** Could we ask staff to come forward if the minister has no answers himself?

**Hon David Johnson:** No, I'm sorry —

**The Vice-Chair:** Minister, are you going to answer the question? Yes or no?

**Hon David Johnson:** I think I get to respond. Do I get to respond without the constant interjections?

**The Vice-Chair:** You do, but there should be an attempt to answer the question.

**Hon David Johnson:** I'm coming to it, Mr Chair, and I would appreciate your indulgence.

**Mrs McLeod:** I now have two minutes.

**Hon David Johnson:** The member went on at great length with a number of questions and in her questions used certain assumptions and talked about figures —

**Mrs McLeod:** On maintenance.

**Hon David Johnson:** — making certain inferences on the figures.

**Mrs McLeod:** No, Minister, I am not making inferences. I am asking you for a verification or correction of the figures. It's a simple question.

**Hon David Johnson:** I would say that the figures that have been injected into this whole issue from the opposition parties have been greatly exaggerated and in many cases and outright wrong in a number of other things.

**Mrs McLeod:** That's why I'm asking you, to give you an opportunity to give me correct figures.

**Hon David Johnson:** All right, I'll give you the correct figure in terms of teachers. There will not be 10,000 teachers fired. I assure you of that.

**Mrs McLeod:** I'm asking for maintenance figures.

**Hon David Johnson:** You were dead wrong when you gave that number of 10,000 teachers.

**The Vice-Chair:** Minister, you might want to deal with the figures and the statistics in terms of what Mrs McLeod posed to you. Is there an answer to that question?

**Hon David Johnson:** I realize she doesn't want to know the other figures where she's wrong.

**Mrs McLeod:** The last day I asked for your figures on teacher cuts and how many fewer teachers you budgeted for. I don't have that figure either.

**Hon David Johnson:** I will also assure you that there will not be 10,000 fewer teachers in the system.

**Mrs McLeod:** I'm asking for your figures, Minister.

**Hon David Johnson:** That's another allegation that has been made. Certainly, over a three-year period, there will be more teachers.

In terms of the maintenance dollars, the setting of the money is on the basis of a median amount. Some boards would spend more than that amount of money in terms of their operations and maintenance and some would spend less. Some of the larger boards spent more, some of the larger boards spent less, and the same with smaller boards. The \$5.20 that's quoted is a median amount and there are a number of boards which operated under that.

**Mrs McLeod:** That is your figure that you're providing? That's the basis of your funding?

**Hon David Johnson:** The \$5.20 is the basis per square foot. This is the amount, recorded by boards, that they have used. Half spend more than this amount and half spend less.

**The Vice-Chair:** We'll now move to the third party.

**Mr Wildman:** In the last session, I requested that Hansard provide to the committee the Instant Hansard so that the minister would have an opportunity to answer the questions I had raised in my leadoff. I have the Instant Hansard and I imagine that the committee and the minister have it as well. I will simply proceed, if that's acceptable to you, to give the minister the opportunity to respond to the questions I asked on the first day. I appreciate the fact that Hansard was able to prepare this so quickly.

One question I asked relates directly to the questions Mrs McLeod was raising. At one point in the exchange last Wednesday, the minister indicated, I think he said, there was \$580 million going into the classroom this year. I asked in response to that how much of the \$580 million is for cleaning, lighting and heating. Could the minister indicate, in determining the money that is allocated by the ministry for classrooms, how much is estimated for those needs of cleaning, lighting and heating?

**Hon David Johnson:** While the member has a good memory for the dollar value, \$580 million, that is the increased amount going into the classroom over a three year period. The ministry numbers show about \$580 million more going into the classroom. That money is for classroom teachers, supply teachers, teachers' assistants, textbooks and classroom supplies, computers — those are the computers in the classroom, obviously, not the administration computers — professionals and paraprofessionals, library and guidance, and staff development.

Those are the categories in the classroom, and over the course of the three-year period each and every one of them will realize an increase in provincial funding. The sum total of all of them together, eight categories there, I believe, will realize an increase of about \$580 million. That means that during that period of time their proportion will rise from 61% of the total budget — in other words, 61% of the total budget being in the classroom — to just over 65%. None of that money is involved with school operations. School operations would be in the non-classroom category.

**1540**

**Mr Wildman:** Thank you. I appreciate the minister's answer.

The \$580 million additional, over three years, doesn't deal with, as you say, school operations. In developing the funding formula, if I could ask a supplementary, what estimates did the ministry come up with for these specifics, cleaning — maintenance, in other words — lighting and heating schools, to determine how much money would be needed over three years?

**Hon David Johnson:** The question is in terms of?

**Mr Wildman:** The total funding formula.

**Hon David Johnson:** In terms of the methodology or in terms of the numbers?

**Mr Wildman:** No, the actual numbers. How much money did you —

**Hon David Johnson:** In terms of school operations in 1997, what's being reported by the boards is \$1.2 billion.

**Mr Wildman:** Over three years?

**Hon David Johnson:** No. That's what was spent in 1997.

**Mr Wildman:** In 1997.

**Hon David Johnson:** In one year. It's about static. It remains roughly static through the three years. It's still \$1.2 billion in the year 2000-01.

**Mr Wildman:** So an annual expenditure of about \$1.2 billion?

**Hon David Johnson:** It's a little bit down: \$1.27 billion, to be precise, in 1997 and \$1.22 billion in the year 2000.

**Mr Wildman:** That's total for school operations. Did you separate —

**Hon David Johnson:** I might say it's \$1.26 billion in 1998.

**Mr Wildman:** That's total for school operations. Did you separate out, in determining the funding formula, determining how much each board was to get, how much of that amount annually is for maintenance of schools as opposed to administrative staff, that sort of thing?

**Hon David Johnson:** I will ask for some expert assistance. You'd better identify yourself again.

**Ms Nancy Naylor:** I'm Nancy Naylor. I'm the director of the education finance branch.

**Hon David Johnson:** The \$1.2 billion in question is totally for school operations. None of it is for board administration, directors, supervisory officers, secretaries, trustees, consultants, department heads or any of those other things. They are all separate again.

**Ms Naylor:** There are a couple of sources for that. One is the pupil accommodation grant, which provides funding to boards on a per pupil basis for school operations and school renewal and on a slightly different basis for new pupil places. We should also note that we consider about 25% of the remote and rural grant to go towards school operations as well. The figures that the minister quoted are a combination of the pupil accommodation grant funding and the remote and rural funding for school operations.

**Mr Wildman:** Thank you. I appreciate that.

Could you tell me, on the basis of the pupil accommodation grant, how many of the boards would actually receive less funding than they spent in 1996-97?

**Hon David Johnson:** I don't know. Again, when you say —

**Mr Wildman:** In terms of their school operations.

**Hon David Johnson:** Again, the \$5.20 per square foot is an average.

**Mr Wildman:** Exactly. I'm just wondering —

**Hon David Johnson:** Half of them would have spent more than that and half of them would have spent less.

**Ms Naylor:** That's correct. There is a second component to what they actually get in funding, which is the space benchmark component of 100 square feet for elementary students and 130 square feet for secondary students. As a combination of those, I don't know if we have those numbers at hand, but the minister's statement says that the \$5.20 is the median.

**Mr Wildman:** The median or the average?



**Ms Naylor:** It's actually the median. Half the boards would have spent more than that on a per student basis in 1997, and I think your exact question was 1996-97, but on the 1997 actual calendar year, which was the year that we collected data for, and then half would spend less.

**Mr Wildman:** I would like to return to the remote and rural later but I'd like to get through as many of these questions as I can.

I would like to turn now to questions around school closures, which of course are related to the pupil accommodation grant. The minister has repeatedly said, and he did again today as he did last week, that schools have closed before; boards do this. I asked last week if the minister could explain why so many more boards are contemplating more closures this year than under previous administrations, except if you go back to the 1950s and 1960s when we closed one-room schools in Ontario? Nobody debates that boards have closed schools based on changes in school population over the years under many governments, but why so many more this year?

**Hon David Johnson:** I guess we don't know that for a fact, do we?

**Mr Wildman:** No, we don't. We know the estimates on the list.

**Hon David Johnson:** That's the problem I have with the question.

**Mr Wildman:** So you won't be able to answer this question until after the fact and we see that more boards have closed more schools.

**Hon David Johnson:** We know that in London there was stated in the media the possibility of two dozen or so schools to be closed and now apparently the board is saying none.

**Mr Wildman:** OK. Then I'd like to go to that. I raised a question about that as well. That board is proceeding on the basis that they will not have to close schools now, as the minister has said. My question was, if the Thames Valley board doesn't meet the province's December 31 deadline because it doesn't think it needs to close schools, but then subsequently comes to the conclusion that they will have to close one or two or more schools, does that mean they will not be eligible for funding if they need to construct a new school?

**Hon David Johnson:** They could be eligible at some time in the future, depending on their enrolment.

**Mr Wildman:** This year?

**Hon David Johnson:** I must say that I'm not precisely aware of the Thames Valley space situation, each of the 72 boards at the elementary and secondary.

**Mr Wildman:** I understand that, but the minister should understand the import of my question. Is there a deadline?

**Hon David Johnson:** In terms of establishing the space they have, we're asking boards to report by the end of this year. However, if they don't wish to change the preliminary space allocation, then they needn't report. It's possible, for example, in a board like Toronto, which has a number of empty schools, that it will decide that its best route will be not to bother reporting through this process.

It may wish to report or it may not wish to report, but if it doesn't, it may wish to go the route of simply selling its empty schools, the schools that at some point in time it has no further use for, retaining the proceeds from that sale and using the proceeds to either purchase additions or a new school.

Another board may choose not to report and perhaps won't be eligible for new pupil places, the flow of revenue for new schools, for a year or so. But at some point in time, if the enrolment increases, they may become eligible. They may become eligible a year from now, two years from now.

**Mr Wildman:** My specific question was, and I don't want to belabour this: If the board perceives that they don't think they're going to have to close schools because of changes in the accommodation grant and so don't meet your December 31 deadline, but at the same time is hoping to build a new school in an area where they might need additional accommodation, but then subsequent to that deadline comes to the conclusion that they will have to close some schools, you're saying they still could be eligible for the construction grant for the new school?

1550

**Hon David Johnson:** It's possible. If their enrolment is increasing, for example, then it's possible that their enrolment would come up to such a point that they could be eligible for new pupil places. I might say that there's the facilities renewal component of this as well which they would be continually eligible for all along, and that facilities renewal money is not used for new schools, but it can be used for some capital.

**Mr Wildman:** In relation to this, I also asked why the government has decided that schools have to operate at 100% capacity when, as I understand it, the panel that was making recommendations for the funding formula to the ministry made the suggestion that the ministry might accept 90% or 95% capacity before declaring surplus space. Why did you decide 100% against the recommendation of the expert panel?

**Hon David Johnson:** First of all, in terms of the operation grants that go for small schools and rural schools, the flow of money through these avenues results in boards not having to be at 100% capacity. The estimation is with the flow of I think in some small schools \$56 million, and in remote and rural schools there's some \$90 million, both of which are more than double the previous year. This is a pool of money to assist boards running at less than 100%.

**Mr Wildman:** I understand that. The context of my question was in regard to large urban boards that have growth needs in the suburbs but in the inner city might have rooms that were built for 25 students but only have 22 or 23 in them. The accumulation of the so-called excess capacity may require them to close inner-city schools if they want to get assistance for building suburban schools. My question is not in relation, in this case, to rural and remote schools, but why you require 100% capacity in those inner-city schools when most people would think that a school is operating at a pretty efficient basis if it's at 95% capacity.



**Hon David Johnson:** I guess the other thing to say is that we don't require schools to be at any capacity. How school boards place the students and accommodate the students, is up to the school boards. If they choose to allocate students on the basis of 110% capacity or 80% capacity, those are their decisions. I will say that there are spaces — libraries, instrument music rooms and gymnasiums — that are not counted in this loading either. I think the main point here is that to what percentage schools are loaded is up to the individual boards. What we're saying is that the boards that need the assistance in terms of capital flow monies are those that have the greatest shortage of space.

Over the years, through a period of time, there has obviously been quite a huge backlog of space that boards need assistance with. So the new pupil places flow of money recognizes those boards that have greater needs. I think that's the fair way to go. The other way would be to pick and choose who are friends, or who complains the loudest, or who has the contacts, that sort of thing, but we've chosen to go the route of where the greatest need is where the money goes to assist the greatest number of students.

**Mr Wildman:** I would say that is certainly debatable. I will return to the rest of my questions that I raised last time when it comes around my turn again, Chair. I just would like to point out that for rural schools as opposed to those that are eligible for the remote grant, I don't think the funding formula meets the needs of communities. I will briefly read into the record some portions of a couple of letters I've received. This one is from a Mrs Valerie Thomson of Granton, Ontario.

She says:

"The provincial government's funding formula for the education system in Ontario is terribly flawed, and discriminates against rural schools. The idea of only funding so much square feet of building space per board is very unsensible and doesn't take into account the variables between school boards, such as distances between schools in rural areas.

"There must be a different formula for rural schools. Urban and rural schools cannot be treated the same because there is a difference between them, just as there is a difference between urban and rural lifestyles. If we wanted our elementary school-aged children to go to an urban school, then we would sell our farm and move to town. We have chosen life on a dairy farm because we believe it is good for our children."

Then further on:

"We have four children attending South Perth Centennial School in the Avon Maitland school board district. Our school is in danger of closing at the end of this school year. It is only 31 years old, is near its capacity in enrolment, and has a large, beautiful playground. Our home and school association has put close to \$60,000 into our school in the last five years. If it closes, our students are to be divided into four different schools, one of which is below MET standards — ministry standards, in other words — "and one of which is already at 108% capacity. Both these

schools are urban and have very little room to expand or set up portables. The other two schools are very close to capacity. Overcrowding in schools causes social problems. The plan our school board is being forced to implement makes no sense.

"I would also like to know why the government can dictate to our school board how to spend our money."

Then further on:

"Bear in mind that this is not just a problem for people concerned over one school. This is happening province-wide and, as more rural people are discriminated against, there will be an uprising. We are doing what we can to make the media and other rural areas aware of this unfair treatment."

I just want to point out that this is something that is going to haunt you.

**The Vice-Chair:** We'll move to the government party.

**Mr Wayne Wettlaufer (Kitchener):** Minister, I'm not one of these people like members of the opposite side who think we should go back to the little red schoolhouse out in the country.

**Mr Wildman:** There's something to be said for that little red schoolhouse.

**Mr Wettlaufer:** The little red schoolhouse out in the country certainly couldn't prepare the students for what is going to be coming down the pipe for them over the next 20 to 30 years. As you are quite aware, Minister, we need to prepare our students for a technology that is advancing at such a rapid rate that students today haven't been prepared. We have a need in my own community, which is a tech centre, for about 10,000 jobs that isn't being met. It can't be met with this year's crop of graduates; the only way it can be met is by going overseas to England or Germany to bring in the people.

One of the problems we have had for years is that we have had an education system that believed that its primary purpose was to train students to be able to think. I don't want to downplay that — I think that's important, it's an important role — but it hasn't prepared the students for a job. Even over the course of the last 12 months we've heard a number of statements from union leaders that it's not the teacher's responsibility, or it's not the education system's responsibility, to prepare students for a job. If it's not our responsibility in the education system or as teachers to prepare the students for a job, whose responsibility is it?

The one thing that we hear is that there isn't enough prestige for students to encourage them to go outside of the university for post-high-school education. If they are going to have post-secondary education with prestige they must go to university and they don't want to train in the tech educational areas that can only be achieved in community colleges.

**1600**

You mentioned in your speech that we're investing \$150 million over the next three years to implement the access to opportunities program. Of course, in the budget a fair amount of money — I believe \$3.5 million if I remember correctly — was given to Conestoga College

for training in metal machining and other key engineering technologies. In order to attract more students into these areas, are we giving any consideration to allowing some of the community colleges to convert to universities for the purpose of granting degrees in applied technology or applied sciences? Would that be a feasible option over the course of the next few years?

**Hon David Johnson:** You've said a good deal there. I think you almost have to start right back at the beginning and tackle this issue, which I agree with you is one that needs to be tackled. We have to recall that while our participation rate at the post-secondary is going up each and every year, nevertheless over half of the young people do not go on to post-secondary and need to find their way into the everyday world and the workworld. We have a big obligation to address their needs and prepare them for their future.

We've begun with a kindergarten program. I wouldn't say it stresses technology to the ultimate at that point in time, but it is at least I think the first new kindergarten program that we've had in 50 years. There's some rigour in it that gets kids off to the right start.

Grades 1 through 8: There is the new science and technology curriculum. Again, the technology curriculum is the first new one in over 30 years, as I can recall. The kids coming through the elementary classes now will have not only the theory, which is the science, but the practical application, the technology. They'll be able to see how the one marries with the other. There are specific expectations, grade by grade, so that the teachers, parents and students know what the students should be taught in science and technology at every level.

This will be carried on through high school with the new curriculum that's being developed at the present time; it's under development as we speak. We expect the science and technology component to dovetail with the elementary level and to carry through grades 9 to 12.

We have essentially doubled the number of spaces for the Ontario youth apprenticeship program, so that many more kids will have the opportunity to start their apprenticeship while they're in high school and get a number of hours in. Then they can proceed after graduation. They've got a head start on the apprenticeship. There are many wonderful opportunities in the apprenticeship field, but we simply haven't focused as a society, and maybe as a ministry, hard enough in terms of bringing these opportunities to the attention of the young people who are in a position to take advantage of them.

Once we get into the post-secondary — and I don't know. The deputy's throwing a lot of notes in front of me here; I can't read them while I'm talking.

The issue you raise in terms of degrees through the colleges is one that I know the president of Seneca has raised. I attended a speech he made back a couple of months ago, and he feels pretty strongly that this should be the way to go. I wouldn't say that I've come to a definite conclusion in that regard, but there are some courses at the college level — and I think it's computer animation at Sheridan — which are world-renowned, not only well

thought of at Sheridan or in Ontario or Canada, but literally world-renowned, and the graduates are in huge demand.

I guess I'm always in danger of causing a stir with thinking out loud, but it may be that what we should do is set some standards, and if proper standards can be met, then other institutions should have the ability to grant degrees. I know that in many cases the students are looking for the degree because it's a recognition. It allows them greater mobility and flexibility in the workforce. A degree means more than a diploma.

Redeemer College has recently been granted the right for a bachelor of arts. I can tell you that when I spoke to the students and the staff there, they were ecstatic. They did have the right for a bachelor of Christian studies, but to be able to grant a bachelor of arts is a little more in keeping with societal thinking. There was tremendous support and gratitude through Redeemer College for the ability to do that.

I think that's something we have to look at, but I'm unable to give you a specific answer at this point other than that we need to explore opportunities to enhance the educational opportunities of our young people. We need to get out of the box a little bit and look at other institutions that might help in that regard and meet a real need. At the same time, we have to recognize that we've had wonderful institutions in the universities and we don't want to put them in jeopardy either. We need to work with them and they need to work with everybody in the education field. I think there could be some exciting years ahead in terms of what could be done in post-secondary education.

**Mr John L. Parker (York East):** How much time have we got?

**The Vice-Chair:** Ten minutes.

**Mr Parker:** Minister, I wonder if I could just step back from the discussion we've been having so far and look at things from a slightly broader perspective. I'm speaking in terms of the general direction and thrust and goals of your ministry and your work in that ministry.

Looking at your actual estimates briefing book that was prepared for this year, right up front it sets out the ministry vision. The very first item under that category is, "Ontario's students will have the best quality education in Canada." Those are fine words, but we might all have our own ideas as to what the best quality education might entail, what it requires, what it means, how you would measure it, how you would define it.

There seems to be some debate around that very issue, not only in this building but around the province these days. We've heard it going on for some time now. I get the sense that some people are inclined to define quality in terms of dollars put into the system. Dollars put into the system are obviously important, but I suspect there is more to a quality education than the dollars that go in. Specifically, I'm interested in your thoughts, your views, as to exactly what is meant by this statement, this vision, that Ontario's students will have the best quality education in Canada. What do you mean by that and just what steps



have you taken, what steps has the government taken, in order to advance that vision?

**Hon David Johnson:** There are a lot of words that I could use in terms of tackling that question. "Partnership" is one word. Most, if not all, of the quality enhancements that we've made to the education system have involved teachers. I will relate to the curriculum. I think to have the best quality education in Canada, we need to have the best curriculum. That curriculum at the elementary level has been determined with teams of teachers writing the curriculum with the Ministry of Education, and I think we've come forward with a much superior product. The same exercise is underway at the secondary level, teams of teachers, also a university representative, a college representative, a representative from the workforce, again determining a high-quality curriculum at the secondary level.

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We obviously need quality teachers; I believe we have quality teachers. Teachers are very much a part of the vision of a high-quality education, the highest in Canada, right here in Ontario. But setting up the Ontario College of Teachers, as we did a couple of years ago, to set standards for teachers, to ensure that those standards are met, I think is very much a part of the quality program.

Getting parents involved: How can one hope to have a true vision of education and of higher quality without the involvement of parents, and again I guess the word "partnership" through school councils. I'm pleased that the Education Improvement Commission is now discussing this matter with the people of Ontario and determining what the role of the school councils, the parents and the other representatives on the school councils should be in bringing the best possible opportunity and quality education to the province.

The report cards are so that, again, parents, even if they're not on the school councils, at least can understand what's happening. The standardized testing brings both parents and the school boards into the equation, so that parents will understand how their children are performing through the standardized testing — grade 3, grade 6 next year — and how their schools are performing. "Accountability" is a key word in terms of quality, and the testing will bring, I believe, an accountability at the local school level, at the board level, back to the parents.

I agree with you that, although Maclean's says that we invest more per student than any other jurisdiction in Canada, money isn't always the best measurement of quality. But I will say that to the degree that money is invested, it needs to be invested wisely where it has the maximum benefit. Through the fair funding formula in terms of a vision of fairness all across Ontario and equal quality all across Ontario, the new funding formula does allocate fairly and equally all across the province and it does focus on the classroom because that's where we want the quality. We don't necessarily need the quality — we need efficiency outside of the classroom and equality to a certain extent I guess, but inside the classroom with the teachers, with the students, that's where the focus has to

be and that's where our vision of quality focuses right in the classroom.

**Mr Parker:** One of the criticisms that has been levelled at the reforms coming out of your ministry is that it has the tendency to centralize control. This is the allegation that one hears, and I've been hearing for about a year now. It was about a year today that I first started hearing that sort of criticism, that the whole thrust of Bill 160 and the other reforms in the publicly funded school system is towards centralizing control of the system into your ministry. It wasn't very long ago, just a week or so ago, I read some column where it was suggested that the goal of the process was so that you could check your watch, you as minister could look at your watch and know that at that time of day the students all across the province in grade 10 would be learning how to decline the vocative form of some Latin word or other, that there was that degree of control.

I haven't heard you discussing control of that sort. I've heard it from others but I haven't heard it from you, and I wonder if you can reconcile what I'm hearing on this subject. Give me your thoughts as to the appropriate degree of control that the ministry should have and the appropriate degree of control and the areas of control that should be vested elsewhere within the ministry and where that control should be vested.

**Hon David Johnson:** The role of the ministry is to set province-wide standards, because we believe that our children deserve the same general opportunities. I think this has not always been the case in the past, so we have set general standards in terms of the number of instructional days, the maximum number of students on average in a classroom across the boards, the amount of time teachers spend in the classroom, those kinds of standards.

We also believe that the curriculum should be uniform across Ontario so that students have the same opportunities with the curriculum. But I will say that within the scope of these standards, there remains at this time a broad role at the local level for the local authorities, whether they be the school board, the local principal, the local teachers, the parents, the school councils, that they have an important role to play in determining how best to present the education to their students and how the programs are run in the schools and that sort of thing. There are many responsibilities that are retained at the local level, but there do need to be standards set at the provincial level to ensure an equality of opportunity and I think the ministry has exercised its responsibility in that regard.

**The Vice-Chair:** Thanks, Mr Parker, thanks, Minister. We'll move over to the official opposition.

**Mrs McLeod:** I had placed a question with the ministry financial staff at our last session. I believe the staff person is here now and I would like to ask to have that information provided as well as three very specific questions that I'd ask you to respond to before turning it over my colleagues. I'd like the enrolment growth numbers you had undertaken to obtain for me, the numbers that you use as a basis projection for the next three years, this year and the next two.



Let me just place the questions on record that I'd like ask you. That would be the fastest.

I'd like to know whether the francophone boards are being funded at the \$5.20 of maintenance funding for what is seen on the school accommodation grant figures as being excess space; whether or not the francophone boards are being funded for their excess space.

I'd like to specifically know on the ISA funding what percentage of the approved, validated and approved individualized funding requests has actually been funded; at post-validation stage, approval stage, what percentage has been funded.

Lastly, the capital budget that shows here on vote 1002-4 is \$429,581,000, and I'd like you to relate that, please, to what was provided on the documents on the revenue impact of the new funding model, which showed the total capital revenue for district school boards renewal debentures and new pupil places as being \$598,920,000.

Those are straight information questions, and then I'll turn it over to my colleagues for other areas of questions.

**Ms Naylor:** Mrs McLeod, I'll start with the enrolment question. I may have to check back with you. It was a bit hard to hear you. In terms of enrolment projections all the financial projections in the new model that were released in March when the minister made the announcement are quite enrolment-sensitive, so the accuracy of enrolment forecast really is quite material here.

We collect enrolment counts in the school system twice a year, once on October 30, once on March 31, so we don't have the official enrolment counts for the 1998-99 school year yet. However, we did ask boards in July to give us a preliminary estimate of where they thought enrolment was going and that confirmed that our projections in March were quite accurate. If I could just briefly describe for you what we used as assumptions in that respect, what we were working from was a 1997 calendar year basis and we had to project into 1998-99 and the two successive years to give a three-year picture.

The enrolment growth forecasts that we used were 1.4% in the first year as an annual rate of growth, 1.3% the second year and 1.2% the third year. Those are obviously cumulative. In the first year, from the published 1997 figures, we're obviously going from a calendar year into a school-year fiscal year, so we have a 20-month gap. We did gross up that 1.4% annual rate of growth to reflect that by a factor of 1.6%. That reflects the fact that there were 16 school months between the beginning of one period and the beginning of the second period. We were forecasting about a 2.2% difference in enrolment between the 1997 year and the 1998-99 year.

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Based on the July 31 numbers, we were very accurate in our projections. We were better than 99% accurate on both the elementary and secondary panels if those numbers from a board perspective hold up in the October 30 count. That gives us a certain amount of confidence that at least on an aggregate basis the financial projections on the eligibility of school boards in total for funding under the new funding model will be quite accurate. We do see

some variance board by board. Especially in some of the high-growth areas there might be a little bit of variance, but for most boards we were pretty accurate.

We used a three-year trend line to get to those projections and modified it using a forecast with Minister of Finance demographic figures for the province as a whole. That's what caused us to step it down in the out years a little bit, because we do see some moderation in the enrolment growth trend line.

In terms of number of students, that translates into a projection in the elementary panel of an increase of 28,000 students in 1998-99 over 1997, and in the secondary panel of an increase of 18,000 students, for a total of 46,000. That does encompass on the elementary side a significant increase in JK enrolment, which the minister may speak to later, but we do see quite an increase in JK enrolment as a result of the new funding model in 1998-99.

**Mrs McLeod:** Do you have similar pupil numbers in the next two years?

**Ms Naylor:** Actually, I'm afraid I don't. We could calculate that in terms of numbers, yes.

**Mrs McLeod:** I'd appreciate that. Just lastly on that, were the 1998-99 projection numbers the enrolment numbers that you used in calculating school accommodation?

**Ms Naylor:** Yes, that would be the enrolment numbers that underlie the model entirely.

**Mrs McLeod:** Thank you. I appreciate that.

**Ms Naylor:** May I just say that in terms of new pupil places, there is a variation that you should be aware of, which is that in other areas we can net on an aggregate basis enrolment growth in some parts of the province with enrolment declines in others. On the new pupil places, in terms of capacity we really have to look at places that are experiencing enrolment growth. Obviously we can't move schools from one part of the province to another, so in that area our projections are always based on gross enrolment increases, not netted by enrolment decline.

**Mrs McLeod:** The second question then was, and I just need a yes or no answer, francophone boards show significant excess space. They're in a unique situation this year. Does the same rule apply to the francophone boards in terms of no maintenance funding for excess space, or do they get the \$5.20 for all the space that they currently have?

**Ms Naylor:** Francophone boards are actually funded on the same basis in terms of straight formula funding within the model for school operation, so the same benchmarks would apply to them in terms of space per student and dollars per square foot or per square metre. However, there are some accommodations for the French boards in terms of start-up funding and first-time funding that are part of the \$385 million in restructuring funding, so there's some quite significant start-up funding. Part of that is in recognition of the fact that they're getting started. Some of those schools are just being transferred to them and their enrolment is coming up to our projections.

**Mrs McLeod:** But they're being funded in terms of maintenance funding on numbers of pupils times the same formula as any other board?

**Ms Naylor:** In terms of their straight formula funding, but there is significant one-time funding being transferred to them over this year and the next school year as well.

**Mrs McLeod:** In regard to ISA funding, the individualized funding, the question was what percentage of the validated, improved claims for ISA funding is actually being funded.

**Ms Naylor:** The minister and the government made a commitment in June that the preliminary allocations that were included in the board profiles released in March would be funded as guaranteed funding. So those are being flowed now. The cash flow schedule that we have with boards gives them a certain percentage of funding in specific months and that is key to their activity level. For example, in September we flow them 13% of their annual allocation. In succeeding months it's usually 8.4% to 8.6%. It reflects the fact that most school boards have a lot of cash outlays in September because they often pay teachers a higher percentage of their salaries.

In terms of the cash that is flowing, the full \$1.52 billion which was the original special-ed grant commitment would be flowing in cash flow to school boards now. The process that we're in, as we speak, is that boards will be completing their estimates forms to give us a formal calculation or a submission with respect to their revenue entitlement under the new funding model. Once we get that, where it's necessary, we would adjust the board's cash flow to make sure that on an annual basis they would catch up to the annual amount of funding that they're entitled to for both education grants from the province and education property tax from the local municipalities.

**Mrs McLeod:** I'll raise this as a specific question in writing to the ministry. I've a public letter from a teacher indicating that only 1% of the validated claims from her particular classroom is receiving funding, but because it is a specific class situation we'll seek some clarification of that later. Mitigation funding, then, was applied. Where any board was receiving more than 4% total increase in budget, the mitigation factor on that 4% was applied to the total budget, including special education ISA funding?

**Ms Naylor:** There are phase-in provisions for the model, and you're right in the sense that we use a 4% factor on a per pupil basis because we also recognize enrolment changes, both increases and declines. Boards whose revenue declines by more than 4% would be limited to that and receive additional grants on top of their formula entitlements. Boards whose revenue increases from the funding model will be limited to a 4% increase, essentially on a per pupil basis. It's the way the formula works. However, that mitigation in terms of how a board can manage their own expenditures, they are required to envelope the special education allocation, so that must be spent on special education. That is included in the grant regs. It was included in the minister's announcement in March. Essentially that funding is protected, but with respect to the amount that their revenue in other areas and

their expenditures in other areas can grow, they are constrained by that overall 4%.

**Mrs McLeod:** So the funding that was mitigated under essentially special education, that amount of money has to be withdrawn from the balance of the budget. That was my understanding of how it was to work.

**Ms Naylor:** It is primarily.

**Hon David Johnson:** But the key point here is that the special education money which was being flowed must be spent on special education and not be spent on something else, so that no board is put in the position of having to determine that this student gets it and this student doesn't. They all get it because this money is flowed, no matter what the circumstance of the board is, to special education.

**Mrs McLeod:** I'll leave my last question as a point of notice because I realize it's a calculation question. If I could get the information for the next day, and it was just to relate the capital budget that was indicated in the revenue impact of the new funding model at \$598,920,000, and I'm just trying to piece together some of the estimates figures. You have a capital expenditure for the three categories that looks to be \$429,581,000. If you could just for tomorrow relate those two figures for me, I would appreciate it. I'll turn it over to Mr Caplan.

**Mr David Caplan (Orléans):** In earlier questioning, I believe one of the government members of the committee referenced Bill 160. Under Bill 160, the government assumed total control of property tax dollars for the purposes of education financing. My question is a very simple one: How many dollars were raised through the property tax system this past year and how many property tax dollars are projected to be raised for the 1998-99 year?

**Hon David Johnson:** I guess in round terms, on the residential side, it's about \$2.5 billion this year. I think the Minister of Finance and the government have made general commitments to halt the growth of property tax increases. Anybody who has served on local boards or local councils will know that ratepayers have been irate over the years because of the rapidly increasing school component on the commercial-industrial side. So there has been a commitment to halt the growth there. There's \$2.5 billion from the residential side that came off the property tax as well as \$2.5 billion that remains on. On the industrial and commercial side, it's about \$3 billion.

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**Mr Caplan:** Three billion off the commercial-industrial side?

**Ms Naylor:** That's correct. Of course, the Minister of Finance did announce in the budget that that would be reduced by \$80 million as some of the education property tax requirements of business are being reduced to the average and that money is replaced by provincial grants to school boards, and that replacement will actually increase over the next few years.

**Mr Caplan:** It's very interesting: I recall the minister's comment, as well, that accountability has to be an integral part of the school system, certainly for students and teachers. There was no debate in the Legislature, there



was no public input for this raising of property tax dollars on the people of Ontario, residential or commercial-industrial. I find it ironic that the word "accountability" is used and yet there is no accountability to the public of Ontario for raising \$5.5 billion in property taxes. That's astounding.

One other comment: The minister just talked about increasing property tax dollars as the rationale behind assuming provincial control. I did a bit of research. I discovered that in the borough of East York between the years 1982 and 1993, property taxes more than doubled on the municipal side. On the school board side it was virtually identical. So there was no real difference in the patterns and spending behaviour and the raising of taxes between municipal officials and school officials in the borough of East York. I find it very ironic that the provincial government has used this as a rationale to assume control of \$5.5 billion property tax dollars, and yet there is no accountability like there was, by the way, with local municipal councils and local school boards.

**Mr Wettlaufer:** You call that accountability?

**Hon David Johnson:** I guess I'm supposed to respond to this. I would say that the member may be surprised that the province of Ontario doesn't make all its decisions just on what happens in the borough of East York, however worthy that municipality is and however much my heart remains in East York. Still, one looks at a slightly broader picture.

What is astounding, and what taxpayers have found astounding over the years, has been the growth in revenues coming through the municipalities and through their tax bills to fund education. I assure the member that I've been at many ratepayer meetings around tax bill time. We used to organize them in East York and invite taxpayers in before we set the tax rate. In more recent years, they were televised so that people could either phone in or actually be there in person and put their questions to their elected representatives — accountability before the tax rate is set.

Generally, I would be there representing the borough of East York. We would have the Metro representative representing the regional government, and we would have the school board representative representing the school board. I can tell you that I could basically sit back for the evening. Nobody would ask questions to me. They would always be to the school board representative. People would be irate. They would look at roughly 55% on their tax bill and look at the increases and that was the concern.

If the member thinks that the only reason is to gain control of the rapidly increasing cost of education on the property tax bill, I assure him that hundreds of thousands of people across North York and Ontario would say that's a worthy objective. But I would say that there's a much broader goal than that, and that is to ensure fairness to all the students, all the young people across the province because there are many municipalities, particularly in rural areas, with a very low assessment base, and many of these students were not getting the benefit of the same sort of financial resources as students in some urban areas.

To ensure that fairness and to ensure protection for taxpayers and to ensure a high-quality education system, the province has acted. But it has acted after years and years of pleading to all three parties. I'm sure that when the Liberals were in power, when the NDP were in power, even when we were in power before 1985, people were pleading to do something about the education system. We have.

**Mr Caplan:** It's just interesting that the accountability of having a representative responsible for property tax increases or not no longer exists for \$5.5 billion of taxes collected on the backs of the people of Ontario. That no longer exists. These funds are raised strictly through regulation. There's no debate, there's no discussion, there's no input. I think it's a very sad day when that kind of activity takes place in this province. Unfortunately the facts don't bear up the minister's characterization. The only spiralling I hear is rhetoric. The tax increases under Mr Johnson's regime are virtually identical to those under the school board in the exact period of time. I'll pass to my colleagues.

**The Vice-Chair:** Time is up, so we'll move to the third party.

*Interjections.*

**The Vice-Chair:** We'll move on to Mr Wildman. The government side will get its opportunity to make comments and ask questions. They have respected your rights for the 20 minutes; you respect theirs, please.

**Mr Wildman:** When I last had the floor I used the example of South Perth Centennial School, which has been slated for closure, and the concerns that were raised about that.

I have a copy of a letter from the Mills family, including Bobby Mills, in grade 5 at South Perth Centennial School, and a letter attached from Bobby explaining why their school is so important in their rural area and why they don't want to see it closed. I'll just table that with the committee and it can be provided to the minister. I'm sure he would want to respond personally, and I think he should. This is not a matter he can simply slough off and say, "Well, it's up to the board," when in fact the board is making these decisions based on a funding formula that is determined by the government, not by the board, and is making a decision on the basis of funding, which again is determined by the government, not by the board.

As my colleague has indicated, when a decision is made legislatively to concentrate the power and control over funding of education in the hands of the minister and the Minister of Finance, the minister can't turn around and say, "Well, these decisions are all up to the board." Because the board makes these decisions based on funding that is made available by the ministry, and those decisions are made here at Queen's Park, not at the local level. It's true that the board may decide this school as opposed to that school. But the point is, they still have to close a school.

I'd like to turn to a couple of other things that I raised the last time, referring to Hansard of October 7. I raised a question with regard to the effect of the deadline for new



textbooks in Ontario on curriculum development in Ontario, but not only in Ontario, in Canada. I raised the example of Harcourt Brace Canada withdrawing from the Atlantic science curriculum project. I'd like to hear the minister's response in terms of the effect on curriculum development of the deadline set by him and his ministry here in Ontario.

**Hon David Johnson:** I see a number of staff here who may have a specific response to that. I assume you're talking about the book purchase we've been involved with.

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**Mr Wildman:** Yes, the December 1998 deadline for publication of the K-8 science materials and the fact that that's going on the MERX Web site, and in the case that I raised with you, the e-mail I received from a Mr Chuck McFadden of the Atlantic science curriculum in which he said:

"The Canadian Publishers' Council has informed Harcourt Brace Canada that the Ontario Ministry of Education will be announcing on the MERX Web site a December 1998 deadline for the publication of the K-8 science materials for possible inclusion on their list. In response, Harcourt Brace and Company Canada has just informed us...that it is cancelling its agreement with the Atlantic science curriculum project to publish a new edition of SciencePlus. With the loss of half of its potential market, it feels that it is no longer feasible to produce the kind of edition of SciencePlus that would be competitive."

**Hon David Johnson:** I don't know if this is helpful, but the note I have before me says that Harcourt Brace did withdraw from publishing a grade 7 to 9 science series in Atlantic Canada, and the publisher has advised the ministry that they made an internal decision to withdraw from publishing the series and that the decision had nothing to do with the investment in classroom materials initiative.

Do you want to introduce yourself, Larry, and elaborate on that?

**Mr Larry Langdon:** I'm Larry Langdon, director of operations and field services branch.

Yes, Mr Wildman, when the question was introduced we contacted Harcourt Brace directly about the e-mail you had received, to ask them on what basis they withdrew that science series. As the minister has already noted, they advised us that it was an internal decision that nothing directly to do with the investment in classroom learning materials initiative. They will be following up, we understand, with the Atlantic science group to provide that clarification to that group.

**Mr Wildman:** From your understanding from Harcourt Brace, their decision to withdraw from what is referred to as SciencePlus was simply a corporate decision that did not relate to the announcement of a December 1998 deadline on the MERX Web site?

**Mr Langdon:** That was the response we received from Harcourt Brace to our inquiry.

**Mr Wildman:** I also asked specifically how many additional staff the ministry has taken on for processing and reconciling the textbook orders.

**Hon David Johnson:** Zero.

**Mr Wildman:** Have you transferred staff to this from other operations within the ministry?

**Mr Langdon:** A number of existing staff were used and the lead is provided by operations and field services, so several staff involved are from there.

**Mr Wildman:** Twenty or 30?

**Mr Langdon:** No, not 20 or 30. Three, I believe, are involved in that. We also use our district offices to gather information and to sort information. We were also provided resources from the curriculum learning and teaching branch. Several individuals worked periodically on getting the call for resources ready.

The French-language education policy and programs branch took the lead in dealing with the science and technology area. Obviously the legal services branch looked over the call for resources to ensure that it and the RFP were accurately stated and fulfilled the intent of it. Communications branch helped periodically to ensure that the materials that were to become part of the public domain were appropriate, and of course contract management was actively involved in the call for resources and the RFP.

Two short contracts were signed for project management services, one in order to get the project up and running quickly and a second to follow through on phase 3, which was recently announced.

**Mr Wildman:** Those were for individuals?

**Mr Langdon:** They were for individuals and were outside of the other staff that was there, but for a limited period of time not exceeding, I think, about 40 days in total.

**Mr Wildman:** So the zero is 40 days in actual fact.

**Mr Langdon:** As I said, project management contracts were let in order to do specific jobs over a specific timeline.

**Mr Wildman:** While I appreciate your response on the Harcourt Brace Canada question, have concerns been raised by publishers about the deadline of the end of this calendar year and the ability to meet it and at the same time have a well-developed science curriculum or any of the other areas of curriculum?

**Mr Langdon:** In the original call for resources, 165 books were approved: 114 on the English-language side, 51 on the French-language side. A number of publishers originally missed the call, especially on the French-language side, and there was a predominance of material in the language arts and mathematics area because that guideline had been introduced previously. The science and technology guideline had just been introduced in the late winter.

Yes, the publishers have expressed a concern that it takes a fair period of time for them to translate the guideline over. So in phase 3 of the program, while it will certainly include a major portion dealing with textbooks, 165 textbooks will remain available for school boards that

wish to take a look at purchases they perhaps deferred the first time or, because of enrolment changes, need more of.

There was a series of six books that were appealed and didn't make the original list. Five of those were French language; four of those were a mathematics series that the French-language boards were particularly interested in having a chance to order. That will be the first stage of phase 2, which is in the process of going out this week.

There is a plan, as mentioned by the minister, to attempt to see what else might be available that publishers have been able to put together in the interim. We are meeting with the Canadian Publishers' Council and the Association of Canadian Publishers later this week to discuss that aspect of it.

**Mr Wildman:** Can I just ask either you or the minister: I understand the need — and far be it from me to argue with the need for new textbooks; I've raised this, as the minister knows. But if we are just in the process of developing and translating the new science curriculum over, why wouldn't we want to give them the right amount of time to do it right? Why would we be involved in this kind of transition and trying to figure out how to do interim solutions rather than ensuring that we have it done right in the first place?

**Hon David Johnson:** I assure the member that it has been and is being done right. I say that because all the books are vetted by the Ontario Curriculum Clearinghouse. The Ontario Curriculum Clearinghouse is composed of, I think, about 200 teachers and educators on the English side. These are people who have a good deal of experience in the educational system, who know the curriculum and who see the books that are submitted and look for a match. If they find that the material does not match the curriculum, then they will not put their stamp of approval on it. On the French side, the Centre du leadership — and again I think fairly close to 200 educators are involved there — don't put their stamp of approval on material unless it meets the curriculum. On the science —

**Mr Wildman:** I understand that. I'm just saying that maybe we would have had more competition, more that met the curriculum, if we had given them the time required to do the job, and then we would have a better choice of quality materials for the students.

**Hon David Johnson:** Well, we could wait for a couple of years.

**Mr Wildman:** I'm not suggesting —

**Hon David Johnson:** What we're hearing from students and parents and teachers is that there is a lack of textbooks today —

**Mr Wildman:** There is, there's no question.

**Hon David Johnson:** — and I think you're concurring in that.

**Mr Wildman:** Yes.

**Hon David Johnson:** We're not forcing school boards to buy this or that book, but we are saying that here are materials that have been submitted by the publishers and vetted by the Curriculum Clearinghouse and the Centre du leadership. These materials meet the curriculum requirements. They sort of have the stamp of approval of the

teachers and educators, and if you wish to buy them as part of your allotment, go ahead. Another part of the allotment is on science equipment. Again, we sought the advice of science teachers, and again they've given their stamp of approval on this particular science equipment. But boards will have the choice of what to buy and what not to buy.

**1650**

**Mr Wildman:** I'd like to just ask a couple of other questions related to what I'd raised last time. Can you confirm that the cost of the universal testing at grade 6 will increase the estimate of \$3 million for the random testing that was contemplated to \$6 million; that is, will it double?

**Hon David Johnson:** The cost for the grade 6 across-the-province testing is \$6 million. I guess the partial testing was about \$1.5 million.

**Mr Wildman:** Oh, so it's more than double.

**Ms Lynn MacDonald:** It's \$1.5 million in this year as additional monies allocated, and \$5.6 million is the annualized amount starting in 1999-2000.

**Mr Wildman:** OK. Thank you. I also ask if you could provide the committee with any empirical evidence that the ministry has to show that a universal test of all students at grade 6 will give more valid or better results than a well-designed random test.

**Hon David Johnson:** The information I've received is from parents, school boards and people involved in the system. There is, I think, tremendous support for the across-the-province testing.

**Mr Wildman:** But you don't have any educational scientific evidence?

**Hon David Johnson:** I have, again, evidence from parents saying that they support this.

**Mr Wildman:** I wasn't asking that.

**Hon David Johnson:** — saying that they support it because it allows parents to know how their student stands, school boards to know how their school stands, school boards to know how they stand. I think it introduces tremendous accountability into the system.

**Mr Wildman:** Can I also ask, then, in regard to a question I raised last time related to the memo from two project managers of curriculum development, from Karen Allan, is the argument for deleting violence prevention, anti-discrimination and education about native people that this would be redundant at the grades 9 and 10 curriculum levels, because there are policies that the ministry has that govern questions around these things that boards have to comply with?

**Hon David Johnson:** There are existing policies that pertain to native issues, multicultural issues and issues of discrimination. These policies, I might say, the one around anti-discrimination was formulated in 1993, which is a year that you may remember.

**Mr Wildman:** Yes, I recall. I'll use an example just out of the hat. If in an English curriculum students were studying *The Merchant of Venice*, a curriculum that includes anti-discrimination and multicultural issues might in fact encourage a teacher and give the teacher ideas on



how to deal with the depiction by Shakespeare of Shylock in that play. Does a policy directive to school boards give the teacher the same kind of assistance in terms of dealing with anti-discrimination or racial issues, ethnic or religious issues in the English curriculum?

**Hon David Johnson:** I think a policy is a powerful tool. It is, again, a tool formulated by the government, in this case, by your very own government, so you must have thought it was a powerful tool and a useful one —

**Mr Wildman:** It's certainly an important one in terms of dealing with violence at the administrative level and dealing with violence in the school.

**Hon David Johnson:** — that could be extended to all the boards and all the schools and would govern all of the teachers, schools and school boards. But I will say that in addition to that, there are 15 teams writing the secondary school curriculum, and each one of these 15 teams has a representative on that team whose purpose is to —

**Ms Veronica Lacey:** Specialists in anti-discriminatory education.

**Hon David Johnson:** There's a specialist in anti-discriminatory education on each one of the 15 teams to ensure that when the curriculum is being developed, it is developed with sensitivity in that regard. You can rest assured that not only is there the overall policy, created in 1993, but there's also the specialist to ensure that there's no discrimination within the curriculum itself.

**The Vice-Chair:** We will move to the government side.

**Mr Trevor Pettit (Hamilton Mountain):** I'd like to go back to the parent councils. Last fall, during the Bill 160 debate, a lot of parents were coming in to me and were suggesting to me that through Bill 160 there was going to be a loss of local accountability vis-à-vis the school trustees and various other issues. I came up with three questions that I asked various parents who made this claim, and they were: First, can you name your school trustee? Second, do you ever volunteer at your school? Third, do you participate in your kid's parent council? In my office, we averaged it out that eight and a half out of 10 answered no to all three questions, to which I submitted back to them that we already had a problem with public education because of those answers.

What I'd like to get from you is, a lot of the parent councils still don't seem to have defined in their own minds just what their role should be. I'd like to ask you what your vision of a real school council would be. How can we overcome the parental apathy out there? I think the biggest problem with public education is the lack of parental involvement, and I have two kids in the elementary system. Beyond that, how far do we go in terms of who can be on these councils? Should I be able to be on at my own kids' school and/or should an MPP's spouse be allowed to be on them?

**Mr Wildman:** Should an MPP's spouse be able to be a member of the Legislature as well?

**Mr Pettit:** It's just a question I'm asking. Should a teacher be allowed to be on them, not necessarily at her own school, but if she has a child in another school? How

far do you go? A lunchroom monitor, let's say, obviously would be considered an employee of a board. Would that prohibit his or her spouse from being on it?

**Hon David Johnson:** Let me say at the outset that I agree with your overall premise that we need to involve the parents. We need to make parents welcome in the system. My vision, certainly, is that the education system can do nothing but improve to the degree that parents get further involved in the education system. Many parents tell me the concern they have is that on these councils or home-and-schools or whatever they've been involved with down through the years, they haven't really had meaningful input into the system, that a lot of the activities surround fundraising — and fundraising is very necessary. Down through the years, name a decade and fundraising has been important. I'm certainly not wishing to denigrate that.

Nevertheless, many parents have said they wish a more proactive role, actually being part, in some way, shape or form, of decision-making. In fairness, others take the opposite view, that they wish only to advise and they wish not to have any role whatsoever. If the EIC, which is now hearing these views from parents and the people of Ontario, was able as a result of these discussions to recommend a role for members of the school councils that did have some authority, did have some responsibility, I think you'd find, based on comments I've heard, that there could well be more parents wishing to get involved, and wishing to get involved in greater detail. So we'll see what the outcome from the EIC is and what their recommendations will be. Hopefully the government will be acting on that at the earliest opportunity.

## 1700

In terms of the makeup of the school councils, they were actually, as I'm sure we all know in this room, created under the previous government. My understanding is that the previous government felt that there should be a teacher on every school council, there should be a principal in every school council and there should be a staff member on every school council. The remainder of the members should be parents and not teachers in some other guise. At least, the Education Improvement Commission has advised me accordingly, Mr Cooke and Ms Vanstone. That is their reading, that was their assessment of the situation, and they advised me accordingly and advised the school councils and the school boards of their view on that matter. They are also seeking opinions across Ontario, and I'm sure there may be those wishing to give them advice on that particular aspect of the question as well.

But I think we do need to ensure that parents without a connection in the school have an avenue through which they feel welcome and can participate. Teachers, of course, not only have an avenue through their membership on the school council and through the principal — the principal is also a teacher, I might point out — but they have an avenue through the day-to-day workings of the school itself.



**Mr Pettit:** So you're saying that they are still studying the membership, as it were, as to who should or should not be allowed —

**Hon David Johnson:** Yes, they're studying that whole broad issue of the roles of the school councils, and part of that would be the makeup of the council. I expect their recommendations next month, I guess.

**Mr Pettit:** That's important, because some of them are having elections now. If they do make recommendations in certain areas, will that necessitate change in the councils as they are elected, perhaps this week?

**Hon David Johnson:** I would say the vast majority of the school councils have been elected, some in June, some in September, and some, very few now, would still be ongoing. I don't expect the EIC recommendation until, as I say, next month, and then whatever time it'll take the ministry. If there's any legislation or anything of that nature required, I don't know how long it might take the House to deal with it. Without knowing what the EIC is going to say precisely, it's a little difficult for me to speculate on the timeline. The timeline could be on into the year, perhaps even early next year.

**Mr Parker:** I want to discuss the issue of fairness in the context of unequal situations. My earlier questions were more broad in their context; these ones are coming down now to something more specific.

I represent an area — you represent the area right next door — which has a number of different communities within it, and it's hard to draw parallels in all cases between the different parts of those communities. I'm thinking in particular of the areas where there are a large number of children from other countries who are just learning the English language for the first time, who are just growing accustomed to our culture and our world. In many cases, they come from families which are just getting their feet on the ground and learning to adjust to life in this country. Those kids come to school with a few handicaps that are not faced by the kids from other communities, who come to school already with a command of the English language, who come from families that are firmly rooted in our community and who feel quite comfortable in our community.

With the fair funding approach to education, you've been commenting on the equality of the funding across the board. It seems to me that there are cases where there are not equal situations faced by the kids in the schools. There are some kids who clearly need help, just to cope, that other kids do not need.

I wonder if you could help us out with an understanding of what sort of acknowledgement the provincial funding system makes of that situation and what steps and what mechanisms are available within the funding process to ensure that those needs are properly addressed.

**Hon David Johnson:** I think you raise a good point, because we had been talking earlier about situations in terms of the small school grant or the rural and remote school grant, which attempt to identify the problems of schools in those situations and allocate a flow of money to them so that they can operate, in the knowledge that their

operations are different from a school in your riding, for example, in York East. But in York East, in Don Mills, in Toronto and in Ottawa there are other circumstances involving those that you've raised.

The one grant that I would bring to your attention in particular is the learning opportunities grant. The learning opportunities grant is for students at risk. That can be due to a low family income, it can be due to low parental education, it can be due to the fact that they are recent immigrants. In your summary, you're indicating that in your riding and other ridings in Toronto — and maybe if you didn't, you would have — there may be many people recently to Canada or, in addition, of aboriginal status, another category. There's a flow of some \$185 million in the learning opportunities grant, and the monies could be spent on breakfast programs, reading recovery programs, expanded kindergarten or after-school programs, tutors or counsellors or classroom assistants, reduced class size, mentoring, all of these kinds of activities.

In particular, the Toronto board is in this kind of situation. The Toronto board doesn't get much money from the small schools grant or from the rural and remote grant, you may not be too surprised to hear. As a matter of fact, I would guess that it's zero. That would be pretty close. But because of the kind of situations you've raised, they do get, I think, about 40% of the learning opportunities grant — I see a nod to say yes, that's true — which would be almost three times higher than their normal allotment that one would expect. I think about 13% of the —

**Ms Naylor:** About 14%.

**Hon David Johnson:** About 14% in general.

Another grant that I would bring to your attention would be the language grant, which is \$374 million, to be used for ESL, for new immigrants and Canadian-born children who don't speak English at home, and of course the French equivalent and second-language instruction in native languages. Heritage language, I must say, is funded through this grant as well. So the \$374 million essentially protects the existing spending that boards have reported to us that they're spending in this direction. Again, you'll find that a board like Toronto — I don't think it gets quite 40% of this, but it would get more than the 14%, I'm sure.

**Ms Naylor:** That's right, and when the validations are finalized we do expect them to get a higher than enrolment base percentage of that.

**Hon David Johnson:** Are there any others here? Those are two that I would bring to your attention that attempt to recognize that some boards do deal with those specific circumstances of children at risk and children coming from other countries.

**Mr Parker:** I've been to some of the schools that have a large component of ESL students, and I've noticed that often the extreme cases of kids who have very little knowledge of the English language are taken off into a separate class and they receive very intense attention from one teacher in a group of maybe as small as six kids in that class, simply because their ability to learn in the English language is virtually nil and they need intense attention just to bring them up to a functional level before

they can join in with another class and carry on in the regular curriculum.

1710

Some people have suggested to me that that's an easy way to get the average class size to work out: If you have enough of these particularly small classes — and in Toronto we have a fair number of them — then it's easy to make the average figures work out because the large number of small classes automatically brings the average down. Therefore, you can get away with having a larger number of large classes and achieve the ministry's average class size targets. It has been suggested to me that the average class size that's mandated in Bill 160 is actually an artificial concept because the numbers can be manipulated this way. I wonder if you can comment on that.

**Hon David Johnson:** I'll comment specifically on special education and ask Nancy to help me a little bit. It has been alleged right in the House, in the not terribly distant past, that the special education classes, which could have half a dozen or eight or so students in them, bring the average class size down. We've said over and over again that those classes do not count when one is creating the average class size. They do not count.

If you have, say, 22 students in a normal class, and if there is one special education student in that class, that student counts in that class. That class does count, because that's a normal class. But if there is a class composed of special education students — six to eight is the normal number, I guess — it doesn't count. In terms of ESL, I understand it's the same.

**Ms Naylor:** To add to the minister's comments, it wouldn't be quite as typical for a board to deliver ESL education in the same way. It is fairly typical in some boards that they use that congregated class approach and the smaller class size for the special education students. That is why it is an explicit exception or exemption in the methodology contained in the regulation to calculate class sizes. On an ESL basis it would be more typical, for example, for the child to remain integrated in the class, perhaps withdrawn from the class for an hour or two a day. In that case that really doesn't change the class size mix. In that respect the methodology outlined in the regulations is quite reflective of the way boards tend to deliver education and it is quite fair to boards with respect to how they tend to deliver classes and also how the funding model supports them in doing that.

**Mr Parker:** In any event, the answer I'm hearing from the two of you is that these special small classes cannot be used statistically to skew the average class size result. When the average class sizes are calculated, these particular small classes are not included in that calculation.

**Hon David Johnson:** That's correct.

**The Vice-Chair:** Any other questions? You have two more minutes.

**Mr Parker:** I could ask you a question about school closings. I was just reading in the clippings from the weekend that there seems to be some confusion as to what would happen with the land if a school were to be closed. Somewhere here I've got the actual clipping.

**Hon David Johnson:** That's probably the Toronto board.

**Mr Parker:** The suggestion was that the view has been expressed out of the Toronto board that if a school is declared surplus it cannot be sold on the market; it can only be sold through a series of mechanisms that are controlled by the ministry, and only if certain steps are pursued. First it has to be turned over to another board or to another public purpose and so on, and if there's no such purchaser under that mechanism, then it can be sold to the province. In any case, the price would be controlled by the province and the return to the school board would be governed by provincial rules, and the province would stand in the position to earn a large benefit by then selling the property on the open market, at market value.

**Hon David Johnson:** Yes, there are some pretty remarkable things being said; I don't know if it's out of ignorance or with some other motive. I will say there is a process — you wouldn't be surprised — for the disposal of properties in general from the government. Hopefully, if there's a need for government to have certain properties, and government already owns certain properties, then it may be wise to poll around and see if there is that need.

In the case of schools, the Toronto school board, for example, would be required to see if any of the other coterminous boards, either the separate school or the French board, need property. Because in a community not only is there public money that has gone into a school but the general public view that if there's a school, that's a compatible use with their community. To the degree that we can retain a school there, albeit in another system, that's a good thing. That's what most people in the public would think and that's probably the best use of the facility.

So we ask the Toronto school board to poll the other school boards. If the other school boards need a property, then the sale would take place in line with the new pupil places grant so that the Toronto school board would get the same flow of money essentially as the new pupil places grant would give them. If no other school board is interested, then there may be another public agency, there may be a university or a college, or the Ministry of Community and Social Services, or somebody else who may wish the property. However, if the sale is made to any of those other public institutions, then it's at market value. Beyond that, if it's made to the private sector, if no public institution is interested, it's made at market value and the Toronto board would have full access to the market value funds. By the way, the province of Ontario doesn't get a dime out of it.

**Mrs McLeod:** I have some very specific estimates questions which I'll place. If they're not answered, I'd ask for the information for tomorrow. I believe my colleague Mr Cleary has some questions he'd like to place.

As a point of information on that last issue, could I please have the number of the most current regulation governing the disposal of school assets? If that's not immediately available, I'll just ask for it as a point of information.



**Mr Theo Grootenboer:** That's 444/98.

**Mrs McLeod:** Thank you very much. I'm not sure it's on the database on the Internet yet, but it would be available, I assume, if we were to call the ministry for it.

**Mr Grootenboer:** Yes, that is available.

**The Vice-Chair:** Excuse me, sir, could you identify yourself for Hansard.

**Mr Grootenboer:** Oh, I'm sorry. Theo Grootenboer. I'm a manager in the capital and operating grants administration branch.

**Mrs McLeod:** I had a question outstanding from yesterday. I had provided some information on the overall per pupil funding, given stable funding for the next three years. The calculations that we had done were based on an assumption of 25,000 more pupils per year, which has been the past history according to — I'm somewhat staggered by the fact that the enrolment is actually going to increase at a higher level than 25,000 per year, which certainly makes the per pupil funding considerably less next year than we would have anticipated. I know you've said that you can provide me with the actual pupil numbers that you're expecting in the two years subsequent to that and I would appreciate receiving the per pupil funding, overall funding, over the next three years based on your population projections of 46,000 now being the figure for 1998-99. I'm prepared to leave that question for information in the future.

I'm not sure who might be able to answer this question, but exactly what rebate on the textbook purchases was negotiated, on average, if that's the only figure available, and was that rebated figure returned to each school on a pro-rated basis depending on the size of their purchases? Or was it returned to them on the basis of each individual textbook purchase and the specific rebate on each textbook?

**Hon David Johnson:** The boards only pay the discounted price. The boards pay the lowest discounted price. The problem is that putting the system out in the first instance one does not know which boards are going to order what books and the publishers base their discount on the number of books ordered. If the total order was a hundred books, there would be a very minute discount; if the total order was, I don't know, a million books, then there would be a huge discount. The original price going out to the boards had to specify the basic list price to give them some kind of guidance, but when all the orders came in and we determined precisely how many of each book would be ordered, then the discounted price was applied and that's what the boards were charged.

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**Mrs McLeod:** So in terms of the budget that each school had to spend on textbooks as per your spring announcement, those boards then, having order the textbooks at the original list price, the price was then discounted — I'm following through your scenario. So the difference between the price that the boards originally assumed they were paying for those specific textbooks and the actual price that was paid is now credited to the

board's account and each board has a textbook account which they could spend this fall. Is that correct?

**Hon David Johnson:** That's not exactly how we would word it, but in essence you have it exactly right.

**Mrs McLeod:** So that fund is there in each board's hands to spend on cheaper textbooks.

**Hon David Johnson:** When you say in each board's hands, that fund, that exact amount that each board has to spend is on our records. But we didn't give the boards the money, as you appreciate; we gave the boards that allotment.

**Mrs McLeod:** Does each board know what their budget is for textbook expenditures based on the rebate each board received?

**Mr Langdon:** That information is just going out over the next couple of weeks. The second page deals with the kindergarten program materials, the books and the science equipment out of the \$100 million, and then boards will be informed not only of how much that allocation is but also of what was actually paid for textbooks on their behalf and how much money —

**Mrs McLeod:** I assume that material will be made public so that we can see the actual expenditure and the credited account for each board.

**Hon David Johnson:** I don't think there's any problem with that. Just in gross terms the \$68 million was what the order was, but the actual expenditure was \$55 million. So the boards have \$45 million to spend, not \$32 million.

**Mrs McLeod:** I'll look forward to having that on a board-by-board basis.

The next question is in a totally different area and has to do with tracking. This is basically a yes or no question. It's a question of whether or not the ministry is tracking class size data and specifically whether or not you are tracking junior kindergarten class sizes, whether you will be able to tell us how many junior kindergarten classes are running as of now, October 13, at more than 25 students.

**Hon David Johnson:** I'm sorry, it's hard to hear. Your microphone must be funny or something. But it's something to do with the number of junior kindergarten —

**Mrs McLeod:** No, it's specifically, are you doing class size tracking, so that data will be available in terms of how many classes are above and below your averages? Very specifically, do you have data at this point on how many junior kindergarten classes are actually running at over 25?

**Hon David Johnson:** First of all, I'm sure we're doing the tracking, but Nancy I'm sure will apply the — on the junior kindergarten, I know that we have 17,000 new junior kindergarten students this year as a result of the government initiative on early education.

**Mrs McLeod:** I'm aware that the early incentive grant was not picked up, that boards have chosen to run junior kindergarten programs —

**Hon David Johnson:** There are 17,000 more students. How's the tracking?

**Ms Naylor:** We collect class sizes grade by grade. This is a little different from the calculation that we were discussing earlier, which is that boards will submit to the



ministry their average class sizes on a board-wide average. As part of the major data collection that we do on October 30 and then partially again in the second term, we ask boards to give us class size information school by school and grade by grade. We will be able to report on that some time after that calculation. As you can appreciate, it takes a bit of time for us to roll it up from the school level to the school board and get a picture of how large those class sizes are. We have some preliminary numbers about JK enrolment in total, board by board at this point in time. We don't know the size of JK classes at this point in time.

**Mrs McLeod:** I appreciate the fact that you're tracking it, so again that information will be made public as it's available?

**Ms Naylor:** It will be collected on October 30, the official count date. Boards submit it to us as of October 30, and so those submissions come in over the month of November.

**Hon David Johnson:** We want the people to know what the average class size is, so we're with you 100% on this. We want that accountability.

**Mrs McLeod:** I was asking for the actual class size data.

**Hon David Johnson:** Yes, the class size data. We want the people to know, we want the parents to know.

**Mrs McLeod:** I'll look forward to that being provided.

**Hon David Johnson:** Some boards, I might say, have already come and asked for exemptions, just as a matter of course. There may be some areas of last resort of their particular problems —

**Mrs McLeod:** I understand that funding wasn't quite adequate to meet the —

**Hon David Johnson:** But just to grant a holus-bolus exemption right off the top, we don't think parents would be very happy with that.

**Mrs McLeod:** The other tracking question that follows Mr Parker's question is that I know that the elementary teachers federation has presented some preliminary data on the reduction in English-as-a-second-language programs, specifically in Toronto. Is that another area that the ministry is tracking?

**Ms Naylor:** One of the things that we would collect — if I could just step back a little bit, the collection this fall will be more meaningful I think than it has been in previous years, and it has to do with the change in the basis for providing funding for English-as-a-second-language programming. In previous years that has been largely on a gross enrolment basis, adjusted somewhat by the number of teachers that boards have designated ESL teachers. In their review of these grants, boards did advise us that they felt that there were better proxies available for the amount of need for ESL instruction.

What we are turning to in the new funding model is actually a set of data that we have collected over the years in the October reports. This will be used for funding purposes, and that is specifically the number of children who are enrolled in the schools of the board who have immigrated to Canada within the past three years from a coun-

try in which English is not a first or a standard language. Boards advised us, in the context of the Working Group on Education Finance Reform, which was quite a useful basis of review and which has formed a lot of our formula design in the new funding model — they informed us that that would be a better basis for funding English as a second language. In October, when we get that data again, we will adjust the grants for school boards, but school boards at this point in time are claiming, or are budgeting on the basis of the students that they already know are in their schools who would meet those eligibility criteria.

**Mrs McLeod:** I appreciate that. Again, it's debatable whether or not the criteria are too stringent.

Mr Chairman, how much time do we have left?

**The Chair:** You have another 10 minutes.

**Mrs McLeod:** Very quickly then, because I want Mr Cleary to have some time.

I was interested in the figure that was provided to Mr Wildman on the fact that the grade 6 testing expansion is going to cost \$6 million compared to the \$1.5 million now and the EQAO budget is down by \$3 million. Can you tell me what is not being done by the EQAO in terms of testing to reduce the budget by \$3 million while the cost of the grade 6 testing increased by \$4.5 million?

**Hon David Johnson:** The EQAO will need the amount of money it needs to conduct the grade 3 test and the grade 6 test, so the expectation is that the actual monies will exceed the budgeted monies. I guess they'll exceed by —

**Mrs McLeod:** You mean you're deliberately deficit-financing, Minister? I'm shocked.

**Hon David Johnson:** This is a very important initiative. Maybe you haven't come to this conclusion yet, but I'm sure the Liberal party will come along at some point in time. The testing is important across the province.

**Mrs McLeod:** I happen to believe that if you're going to announce it, you should fund it, that's all. It's one of those basic things about budgeting.

**Hon David Johnson:** I think the budget was struck before this initiative was fully determined, and we just think this initiative is so important that we're prepared to allocate the resources it takes to do it.

**Ms MacDonald:** Just to expand on what the minister has said, we consulted extensively with the chief executive officer and the senior staff at the EQAO as to, first of all, what form of expanded testing should be undertaken and, second, what it would cost to do that. It was on their advice that we put in the \$1.5 million this year for development and design and then the \$5.6 million would cover the full implementation.

**Mrs McLeod:** I appreciate that. I suspect it was not on their advice that their estimates were cut by \$3 million. I'll turn to my colleague Mr Cleary.

**Mr John C. Cleary (Cornwall):** Mine too was about class sizes. Over the past months we've heard from a lot of taxpayers, teachers, parents, students, and what they referred to me was that they were led to believe that class sizes would be in the low 20s. They referred certain examples to me. One says that a split class has 28 children, another one that a split class, grades 1 and 2, has 39

children. They just wanted me to ask you what your opinion was on this, Minister.

1730

**Hon David Johnson:** My opinion is that over the years, through different governments, the class sizes have grown, although I must say that when I went to school I guess my first class was 40-some-odd students, so I suppose since when I've gone to school they've probably dipped down. But recently they've begun to climb; for example, over the last seven or eight years the average class sizes, particularly at the elementary level, have increased each and every year. My view is that it's time to put a stop to that. At the secondary level it's been a little more uneven: They've increased some years, decreased other years, but through that same period of seven or eight years, the average class size has also increased at the secondary level. Again, it's time to put a stop to that. That's why, through Bill 160, we put a cap on the average class size.

The boards need a little flexibility. For example, if you have an elementary class at 25 and one or two students come partway through the year, do you force them to rend apart that one class and disrupt all the students or do you allow them to add another student or two on top and deal with the situation through the rest of the year? So, we did say that it was the average class size, to allow boards some flexibility, but at least we put a stop to the overall growth.

You will know that when one talks about average, you have to put in the large classes. Unfortunately, there are classes, just such as you say exist, with 39 students. But if a board averages 25 students, for example, and has one with 40 students, then it has three other classes, presumably, with 20 students, so that the average is 25. I think most parents would say, and I would concur, it would be better if all of the classes were closer to the average so we didn't have the classes of 35 and 40 students, and indeed we didn't even have classes of over 30 students. But stopping the growth of the average class size, so that that same class you're talking about with 39 students this year doesn't have 40 or 41 next year and 42 or 43 the year after, we've made that start. I'm hopeful that at some point in the future we'll be able to address the kind of situations you're talking about and ensure that no class has beyond a certain number of students.

**Mr Cleary:** I tried my best to explain it to them, and my explanation wasn't very good, so they wanted yours. Yours is pretty nearly the same as mine, so it's still not going to sell.

Another concern from eastern Ontario is the funding for French language beginning at grade 4. Many teachers feel this is too late, particularly for children from non-francophone families. They say that without this foundation many children will not learn linguistic abilities. Some of the boards have set this as a priority and they're robbing money from other areas and starting French in kindergarten and grade 1. When do you feel these children should begin this curriculum? Do you foresee any change in provincial funding for the French curriculum?

**Hon David Johnson:** We were talking about parents being involved and local autonomy. These are decisions that need a great deal of input at the local level. Certainly students can still start in grade 1. The number of hours of French study is still the 600 hours through the elementary system, so it's the same number of hours that are required. The funding formula has been changed somewhat, but it doesn't prevent a board from starting in grade 1, grade 2, grade 3, through that process. The local school board, in conjunction with the school councils and the parents, will make the determination as to what's best for their community.

**Mr Cleary:** Another area we've heard a lot about is the busing policy across Ontario. We have been told that it's complicated by having two boards cover a similar route. Parents and teachers say that they think it's strange the ministry has meddled in other aspects of education, cutting French curriculum and the textbooks and all this, and they wonder why you're not dictating about the school buses.

**Hon David Johnson:** Sorry — why we're not which?

**Mr Cleary:** Why you refuse to look at the policy of school buses.

**Hon David Johnson:** As a matter of fact, there is a team in place right now reviewing the transportation policy. This team has a representative from the Ministry of Education and has representatives from the school busing industry and school boards. A week or two ago, they suggested an interim kind of situation that we might deal with. The ministry responded by releasing more funds for transportation, of which you're probably aware, about 3% to 4% more monies in transportation, specifically in recognition of the five PA days that have been reduced. Previously there were nine PA days. Now with five being turned into classroom instructional days, there's the need for transportation. This was brought to our attention by the committee that's studying this. The committee's work, I might say, is ongoing, and there will be a report at some point from this committee.

**Ms Naylor:** That's right. One of their primary mandates is to provide advice on a new funding formula for student transportation, to take effect for the 1999-2000 school year. Also incorporated in their mandate are recommendations on how to achieve greater efficiencies and greater co-operation between and among boards for route planning and route sharing so that maximum efficiencies are achieved.

**Hon David Johnson:** Boards have responded quite well, actually. There have been efficiencies. That's not to say we can't always do a little better, but over the last three years there have been considerable efficiencies built into the busing system.

**The Vice-Chair:** Mr Wildman, you'll end off the day.

**Mr Wildman:** I'd like to return to the class size issue, and specifically to kindergartens and junior kindergartens. Are you tracking how many senior and junior kindergartens have been combined in the province? Whereas they used to be separate, now boards are combining them.



**Ms Naylor:** I believe our October report data collection does ask boards to report on where they have combined grades or split grades. We're aware that boards do that for two reasons. First of all, in the case of smaller enrolments in small schools, grades are sometimes combined. A second reason, however, is for pedagogical reasons. A number of schools, for example, in Toronto where they have a very dense pupil population, still choose to combine their JK and SK classes for a number of reasons. They feel it enhances the learning experience of students. It also facilitates the matches that can be made between individual students and individual teachers and gives the principals more flexibility in matching students and teachers who they feel will work well together.

**Mr Wildman:** In many areas that I know of, they are combining them simply because of the cost of transportation. It is not for pedagogical reasons. In the past, they had split kindergarten and junior kindergarten, each of them a half-day each day all week. What they've done now is combine them and have them going full days, sometimes two days a week, three days a week the next week, to save money on busing. It's a transportation, economic, grant-based decision, not a pedagogical decision.

My colleague asked how many of these were above the average 25 for elementary, and you said you're tracking that. I'd like to know how many are above 18. Are you tracking that?

**Ms Naylor:** We would know when we get the results of that data exactly what the distribution of JK classes by size would be, so we could look at that as a perimeter or a criterion.

**Mr Wildman:** I would certainly like to have that information. How soon will it be available? Do you know?

**Ms Naylor:** As I mentioned in response to Mrs McLeod's question, that generally is available to us sometime in December, by the time we get the school-by-school reports rolled up and validated.

1740

**Mr Wildman:** I have a question for the minister, but I understand he's consulting. I'll wait until he comes back to ask him specifically on that.

The question was raised about the parent councils, and there was a discussion about the EIC's consultation. Many of us participated in that. I'm just wondering if the minister can respond to the concerns I raised with regard to either the unwillingness or the inability of the Education Improvement Commission to respond to what was a clear majority view with regard to French-language secondary education, a majority view among the francophone community in northeastern Ontario, where the francophone community has an historic compromise where they basically have Catholic education at the elementary level but, in order to ensure a critical mass, had accepted secular public education at the secondary level.

In thousands of petitions, letters, public meetings and at the hearings then held by the EIC on the division of assets, the francophone community on the north shore of Lake Huron and the eastern shore of the Lake Superior, Chapleau and other communities, made it very clear that

they wanted their high schools to remain public high schools in the new French boards and not to go to the Catholic boards. Yet the EIC apparently made a decision based on advice of an academic from Laurentian University and did something quite different.

**Hon David Johnson:** I can only say that the EIC has dealt with a number of issues in terms of the assets, splitting and determinations of this nature. My understanding is that by and large there has been a general consensus that the vast majority of the decisions have been fair and have been deemed to work quite well. I find it awkward and perhaps even inadvisable to make specific statements about a particular issue. The EIC was set up to deal with these matters.

**Mr Wildman:** Okay. I understand that position.

**Hon David Johnson:** There has been a mediation process. As I understand, there is a process they go through in their attempt to be fair. On what evidence they base their decisions, I'm not really privy to.

**Mr Wildman:** Well, if the minister doesn't wish to comment further, I understand that, because the two boards are now appealing to the minister and the minister will have to make a decision. I fully understand that. I just point out that I raised this with the EIC and Ms Vanstone informed me that she understood the concern on the north shore but that "The EIC is bound by legislation." I'll just leave that.

**Hon David Johnson:** Well, if there's any further information that comes to me I will have a better determination of what is meant by all of it, but I will say that the Education Act, subsection 58.2(15), I'm told, states that the orders and directives of the EIC are final and shall not be reviewed or questioned in court.

**Mr Wildman:** That's correct.

Okay. The two boards have come up with a different solution, which is satisfactory to many people but not to others. They have suggested that that be implemented. I guess that's up to the minister.

I raised another question, which goes directly to the divisions and controversies around the negotiations of collective agreements at the secondary school level in Ontario as it relates to Bill 160 and the minister's letter and the instructional time. I specifically asked if the minister could explain why, when teachers and their federations offered to lengthen the periods they were now teaching, the government refused. If the government wishes teachers to teach more minutes and they have agreed to teach more minutes but only to teach them to the students they are now teaching, in other words, ensuring more time and contact between individual students and teachers, why would the government refuse and say the government wants them to teach more periods, not just more minutes?

**Hon David Johnson:** I'm not aware of which board I have refused. Perhaps I could be enlightened.

**Mr Wildman:** The boards have informed the teachers' federations that that would not be acceptable in most cases. Particularly the Catholic boards have indicated to the federations that that is not acceptable to the ministry.



**Hon David Johnson:** The ministry certainly has concerns, and I have concerns. Particularly in northern and rural areas, there has been a good deal of input by parents, I understand, over the years because of the lengthening of the school day. It has to do with the daylight hours in many communities. Parents are concerned about children coming home at a later hour or going to school at an earlier hour. I'm sure the member for Algoma will identify with that.

Also, in terms of the school bus scheduling, elementary and secondary kids may come home on the same bus, but that may not be possible if the time is extended. That may have implications. Some people expressed concern about, with the existing class size, four credits per day, being about 75 minutes. To allocate more time on top of that again is quite a lengthy period of time for young people. There has been concern expressed about that, if it had to do with the periods being extended to 85 minutes, for example.

There's the issue of part-time jobs, which many students have after school. They may need the monies to assist them in their everyday life or with their schooling. Many students have part-time jobs after school. Plus there are extracurricular activities, and we've all indicated on many occasions how important those are to young people. If that period of time eats into the extracurricular activities — extracurricular activities are a very valid form of education. Many students would lose out on that.

There are many different problems associated with it. I'm unaware that I've actually vetoed or refused any particular board at this point. But certainly I hope we'd all agree that there are many problems that we have to look at.

**Mr Wildman:** I understand the minister's argument with regard to the length of the school day and so on. If the desire — and frankly I think it's a good one, if it is the real desire — is to increase the contact that individual students have with individual teachers, then surely having a teacher teach the same number of students over a longer period of time is something the ministry would like and want.

**Hon David Johnson:** Certainly the ministry is anxious to have teachers spending more time with the students. We feel we've accomplished that in a way that is generally accomplished across the rest of Canada, which is to increase the number of instructional days.

Although I suppose we can say that the rest of Canada doesn't always have the exact correct ideas on everything, one might wonder why the number of instructional days on average at the secondary level was 180 across the rest of Canada and 170 here in Ontario a year ago. Maybe all the rest of Canada is on to something; we felt they were, and we've increased the number of instructional days by 10. That involved reducing the number of PA days by five and the number of exam days by five. But we now have the same number of instructional days. During those extra 10 days the students and the teachers are together and our students are having a better opportunity to learn what they need to learn. That, we think, is the logical solution to this.

**Mr Wildman:** Just as an aside, Chair, since the minister mentioned examination days, could he identify the legal beagle who came up with the word "invigilate"?

**Hon David Johnson:** If I could, do you think you and I would have the same attitude towards legal beagles? We might share common ground on that one.

**Mr Wildman:** I thought perhaps this was a new suggestion that we should hire vigilantes to look after school examinations.

**Ms Lacey:** Those people who have been in the education system for a number of years will recollect that term. It is a long-standing term in education.

**Mr Wildman:** I must admit, I understood it, but it was a little disconcerting when I first read it.

The minister has indicated clearly that he is pleased that the numbers he felt were outlandish, in suggesting the numbers of fewer teachers, were inaccurate and so on. Could he tell us when the ministry will actually know how many fewer teaching positions there are this year in Ontario, at the secondary school level in particular?

**Hon David Johnson:** I'll interpret your question to mean, when will the ministry know how many teaching positions there will be? I have every confidence that over the course of the next three years there will be considerably more teaching positions.

**Mr Wildman:** I was talking about this year, actually.

**Hon David Johnson:** In terms of this year — do we have an answer to that question? I've been asking that very same question myself, for opposite reasons from the member.

**Ms Naylor:** Again, this information is formally collected on our October 30 count date. We would have it as part of that process.

**Mr Wildman:** So about December?

**Ms Naylor:** We'll have some earlier indications of the number of teachers from another process, which is our financial claims process. The boards will complete what's called their estimates submissions, which they're required to do under the Education Act. That's their budget. In the process of that, they are essentially giving us the data that we need to estimate their revenue eligibility. That includes some data that is indicative of the number of teachers they have. So we will have a preliminary projection at that time, but they give us the formal data on October 30.

**Mr Wildman:** Finally, could the minister clarify for the committee how instructional time is going to be calculated for teacher-librarians and for guidance counsellors?

**Hon David Johnson:** To the degree that a guidance counsellor, for example, teaches a credit course, that counts in terms of instructional time. If they're not involved in any regularly scheduled credit courses, then it doesn't count.

**Mr Wildman:** Then I'm a little confused. If a teacher is a guidance counsellor, let's say hypothetically a guidance counsellor full-time, you're saying that person doesn't teach?

**Hon David Johnson:** It's up to the board to determine who teaches, obviously within the requirements of the Education Act etc. But if a guidance counsellor, for

example, gives the guidance course, which is a credited course —

**Mr Wildman:** I understand that, or if someone is a part-time guidance counsellor and may teach English or math or something else as well, certainly there's no question that that period when they're teaching math or teaching English is instructional time.

**Hon David Johnson:** Right.

**Mr Wildman:** But let's say that's half-time. As far as you're concerned, that's a half-time teacher.

**Hon David Johnson:** I don't know what you mean by "half-time teacher." It's a teacher who's teaching instructional time half the time.

**The Vice-Chair:** That ends the third party's 20 minutes. We'll start tomorrow with the government side.

I'd like to thank the minister's staff for their attendance and their clarifications. Thank you, Minister. We'll see you all tomorrow.

*The committee adjourned at 1755.*

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**Assemblée législative  
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Deuxième session, 36<sup>e</sup> législature

## **Official Report of Debates (Hansard)**

**Tuesday 20 October 1998**

## **Journal des débats (Hansard)**

**Mardi 20 octobre 1998**

**Standing committee on  
estimates**

**Ministry of Education and Training**

**Comité permanent des  
budgets des dépenses**

**Ministère de l'Éducation et  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 20 October 1998

Mardi 20 octobre 1998

*The committee met at 1545 in committee room 2.*MINISTRY OF EDUCATION  
AND TRAINING

**The Vice-Chair (Mr Rick Bartolucci):** We'll call the meeting to order, ladies and gentlemen. Thank you for your patience, but the minister was, unfortunately, delayed and then had to attend a very quick meeting.

We have all-party agreement that this will be the last day of estimates for the Ministry of Education and Training, so we will continue to circulate among the three parties, and we will vote on the estimates at the end of the session this evening. Are there any questions with that?

*Interjection.*

**The Vice-Chair:** OK, we will start with the government, which has 20 minutes.

It's my understanding that on the first day of estimates there was all-party agreement that this would be the last day of estimates. Now, can someone —

**Mrs Lyn McLeod (Fort William):** There was all-party agreement that if the government chose to waive the 15 to 20 minutes that the minister was late arriving, we would deduct that from the total time. I think we're again 20 minutes late beginning today, and we have never agreed to waive that period of time.

**The Vice-Chair:** Because we don't want to waste a whole lot of time, will the government waive their 20 minutes?

**Mr Terence H. Young (Halton Centre):** Yes.

**Hon David Johnson (Minister of Education and Training):** You're not going to waive our 20 minutes?

**Mrs McLeod:** Then we'll be back tomorrow.

**Hon David Johnson:** Or we have to waive the time that the opposition was late.

**The Vice-Chair:** No, Minister.

*Interjections.*

**The Vice-Chair:** We're either going to come to some conclusion or we're not going to end estimates today.

**Hon David Johnson:** That's fine. I'm here tomorrow.

**The Vice-Chair:** All right, then we will continue, and this will not be the last day of estimates. We'll start with 20 minutes with the government.

**Mr Young:** Minister, with regard to the funding formula as it applies to math, language and science textbooks, can you describe the detail of the initiative? I've had some discussion with some parents. In some cases, the boards actually might have more money than they need to provide

new textbooks. Where did the money go, how was it applied to textbooks and, if they have excess money, what are they allowed to do with it and what might they do with it?

**Hon David Johnson:** We're talking about the elementary initiative, I assume, Mr Young. The monies and the purchases are organized by the provincial government, so that each board has an allotment based on its enrolment.

**Ms Veronica Lacey:** That's correct.

**Hon David Johnson:** The purchasing program has essentially been divided into three phases. The first phase involved textbooks, largely language, some mathematics, and a few science books. That involved some 3.2 million books. The original prices were in terms of the list price, and then any discount was applied after the quantities across the province were known, because you can appreciate that at the outset we wouldn't know how many of a certain language book would be purchased or how many of another language book or how many of a mathematics book. Only after bringing all the data together from all the boards across Ontario was it known exactly what quantities of any particular book would be purchased. Given that quantity, only then would it be known precisely what the discount would be.

Given the huge volumes, in most cases I'm pretty certain it would be the maximum discount that was applied and consequently the maximum savings. A board like the Toronto board may be able to reach that kind of savings or get close to that kind of savings, because the Toronto board has a huge number of students, but many of the smaller boards could not hope to achieve the kind of discount that the province did by purchasing it all together.

Once the discount was applied, and it was about a \$13-million discount, then the monies essentially were deducted from each board's allotment. The ingoing list price was about \$68 million in total, but the final purchase price after the discount was about \$55 million, and each board's allotment of that, given the books they had purchased, was assigned to them. The future phases will involve computer software, science equipment, kindergarten materials and more books. The boards will each have an amount of money left, which is the difference between their discounted price on the phase one purchase and their total allotment based on their enrolment.

The second phase is actually beginning, and the first part of the second phase will actually be six books that were successfully appealed from the first phase. They will



be on the market, and boards will have a look at them and, if they so choose — their choice — they will be able to purchase those books out of the remainder of their allotment. Beyond that will come, as I said, the computer software and the science equipment.

Once all that is said and done, our expectation is that there will still be monies left over because of the discounts and we'll be making a further phase in terms of more books being available. We're hoping more books will come on stream later on this year, about the end of the year, that boards will have a wider choice in variety of books, particularly perhaps more science books. What's left of their allotment they'll be able to assign towards more books at that point in time.

I hope that's helpful.

**Mr Tom Froese (St Catharines-Brock):** When the government ran on their platform before the 1995 election, as we know, the two previous governments had accumulated an \$11.2-billion deficit. The PC Party at the time, which is now the government, indicated in their election platform that they would make a number of initiatives to balance the books in their first mandate, to get rid of that deficit. As you know, there had to be a sharing of that reduction of deficit. In the document itself it was very clear and very plain that in post-secondary education \$400 million would be reduced and be part of the sharing of getting rid of that \$11.2-billion deficit.

There has been some concern that the \$400 million is gone, it's not replaced. But the government has said it would increase the quality, would find savings, and also there would be some reinvestments. Can you tell us if there has been reinvestment and where it has occurred in post-secondary education?

**Hon David Johnson:** I'll be happy to speak about that for a few minutes. When we're looking at post-secondary education, I think most people are talking essentially about the monies going to universities and colleges and also monies going to student support.

The government did reduce the operating grants to post-secondary institutions. The year 1996-97 was the first year that we saw some of that reduction. But, at the same time, monies going to student support have increased and monies going to other particular targeted programs have increased. Tax credits are also part of the equation. The government has introduced tax credits, which are a form of expenditure, to assist students.

The total expenditures, tax expenditures and normal expenditures, this school year are estimated to be over \$3.2 billion. That's interesting because in 1995-96, the year we took office, it was actually a little bit lower. So the total amount of expenditures, tax expenditures and regular expenditures, has increased in the neighbourhood of \$40 million since we took office in 1995-96. Comparing to 1994-95, the year previous to that, it's actually up over a couple of hundred million dollars. I'm talking all-in; I'm talking supports for universities, supports for colleges, supports to students. This year the student support monies, for example, will amount to about \$535 million in direct assistance to students.

The federal government provides assistance mostly in the form of loans, which have to be paid back. A larger proportion of the provincial government support is in the form of direct financial assistance, which is not paid back.

In addition to that, there have been some other targeted programs that have been introduced. The access to opportunities grant was announced earlier this year and will begin this year. There will be an expenditure on that program. The Ontario graduate scholarship for science and technology, again a new initiative this particular year, will involve expenditures. The R&D challenge fund, of course, many of the universities are involved with that program.

The Learning Opportunities Task Force is one that we all would be proud of. Mr Smith, the other parliamentary assistant, was at Fanshawe College — I noticed a clipping, but I don't know if I have the clipping here — taking part in a program involving monies flowing to Fanshawe through the Learning Opportunities Task Force to assist students with disabilities. The Ontario student opportunity trust fund involves a huge amount of money, more so in 1996-97 and 1997-98; no money this particular year. But over the course of the previous two years it has built up to a total of roughly \$600 million, and those monies will flow out to assist students who need financial aid, half the money coming from the province and half coming from donations through the various colleges and universities.

The strategic skills investment fund involves four programs, three at colleges, to promote skills in specific areas; the automotive industry is one and the film industry is another. We are looking at a further \$20 million in the next school year for other programs that are now being reviewed and will be approved for that particular year.

There are a number of particular, focused programs to assist students, to address areas where there are skills shortages and to fortify the post-secondary system in general. When it's all added up, the amount of spending for student support and for institutions is higher this year than almost in any previous year. In 1996-97, with the tremendous investment we made in the opportunity trust fund, it was a little bit higher. But other than that particular year, we have this year one of the highest investments in our system in total that the province has experienced.

**1600**

I will just mention one more, another program that is not actually included in here. Another initiative to help students is the set-aside. We did give institutions some flexibility to set tuition fees, but we required that if they increased tuition fees, they would be required to set aside 30% of any such increase to assist students who needed help. It's estimated that in this year that amount of money has grown to almost \$90 million. That set-aside involves about \$90 million that has been set aside for the purpose of assisting students who need the financial help. That's not included in the numbers I gave to you previously, but I think it's an important initiative.

**Mr Froese:** If my math is correct — and I was quickly jotting some figures down; I've probably missed some of

the programs you talked about — it appears from what you were saying that the money that has been spent or is committed to be spent is probably well in excess of \$700 million. I believe it's more than that; I was on the low side. Clearly, taking \$400 million out and putting \$700 million back is quite an achievement, and I applaud you for that.

The other question I'd like to have your comments on is with respect to students. I've met a number of post-secondary education students — college, university, private vocational school students — in my constituency and across the province. I was really surprised to hear what the number one concern was; it's quality. Tuition fees and their concern about tuition fees was right up there as well, but the number one single issue was the quality of the education they were getting at their university, college or private vocational school. The concern from the students to whom I've talked is, "If I take this course, take this program and I get this degree, get this diploma, will that program, that course, that quality of education I'm getting in the post-secondary system, get me that good-paying job I hope to get?" I would like the minister to make some comments on what the government is doing to ensure that quality is number one in our post-secondary education system.

**Hon David Johnson:** You're absolutely right. This is a key for many of the young people whom I talk to. There is an investment that they make, and they realize that the investment they make, the investment their parents make, is a part of the total cost. It's not the total cost; the taxpayers do pick up a portion of the total cost, and in our society we feel that's appropriate. Nevertheless, the students and the parents do make a big investment. In recognizing that, they want to make sure it pays off. They want to make sure the quality is there and the students have access to an education, based on the assumption that they have the ability and talent to do it. They want to have access to an education of high quality, one that prepares them for their future.

This government has, again, required that in instances where post-secondary institutions do increase tuition fees that, with the increases, there be a quality improvement — I'm going to ask David Trick to come up here and help me a little bit on this — that there be an improvement in the quality of the programs or in the equipment and that there be a quality improvement program plan that the institutions would create to demonstrate exactly how this has been executed. I might say that these plans are just about all in. I think all the colleges and most of the universities have submitted their plans at this point. Indeed, some of them are on the Internet. Of course, the plans need to be available to the students. The students and the government have to see the plans, but it's even more important that the students see these quality plans, to show how their individual programs are being improved or how their classroom or their equipment is being improved. Those plans are available in one fashion or another to the students at this point. There may be one or two institutions at this point which have not submitted the plans, but by far the vast majority have submitted their plans.

**Mr David Trick:** My name is David Trick. I'm the assistant deputy minister for post-secondary education. In terms of numbers, we now have plans from 16 out of 18 universities and from 24 out of 25 colleges. I understand that two more of those will be available by the end of this week. There's one university where the board doesn't meet again until early November and that will be the last one.

**The Vice-Chair:** We'll now turn it over to the Liberal Party.

**Mrs McLeod:** We want to focus on post-secondary education and apprenticeship and training this afternoon, as had been agreed. Before I move into that area, though, I just want to be sure that the information that was to be tabled from the last meeting will be tabled before the conclusion of estimates. It's basically the enrolment numbers that we're still looking for, if you could be sure that happens.

With that, we would like to focus on the other areas. There are still lots of unanswered questions on elementary and secondary, but we want to make sure that this time we give some attention to post-secondary and apprenticeship and training.

Let me start by just asking for a quick explanation. On October 13 you said in the House that the government was spending \$3.3 billion on education. In your estimates book you actually show \$3.07 billion. Are you able to tell me where the additional \$300 million is coming from?

**Hon David Johnson:** I don't have the estimates book here in front of me, but the funding I'm referring to deals with the monies flowing to the institutions and also with the monies flowing to assist students. It also deals with special targeted programs which have been introduced —

**Mrs McLeod:** I assume that's all in the estimates book, that it's all part of the \$3 billion.

**Hon David Johnson:** I have no idea what's in the estimates book. I'm telling you the real money that is flowing to post-secondary.

**Mrs McLeod:** I assumed your estimates book was telling me the real money, Minister. It says it's \$3.07 billion.

**Hon David Johnson:** I assume that's true, but I can tell you that it's a little over \$3.2 billion. It also includes tax expenditures, which I'm sure would be in there somewhere, which are real expenditures of the people of Ontario.

**Mrs McLeod:** I trusted you; I wasn't challenging your estimates — at least I didn't think I had reason to. I accepted the fact that it said \$3.07 billion and I just wanted to know where you got the \$3.3 billion that you used in the House.

**Hon David Johnson:** I think I've explained that, but I'll do it once more. The \$3.2 billion —

**Mrs McLeod:** No, I'm sorry, Minister, you told me what would be in the estimates book. It's there and the total is 3.07. I'm just wondering why the balance of what you referred to in the House is not in the estimates book.

**Hon David Johnson:** It's probably the tax expenditures.



**Mrs McLeod:** What estimates would we find those in?

**Hon David Johnson:** I assume the Ministry of Finance.

**Mr Trick:** The source for the tax expenditures is the Ministry of Finance. Because they aren't a cheque that we issue, they don't appear in the estimates book.

**Mrs McLeod:** I see; all right. Thank you very much. I appreciate that.

It's student support that I want to spend some time on. I'm finding a little bit of confusion here too. First of all, could I ask you how many applications there have been to OSAP for this year. Do you have a figure on that at this point?

**Mr Trick:** Yes, I do. The OSAP year begins on August 1. For the 12 months ending July 31 of this year the number of OSAP — did you ask for applicants or recipients?

**Mrs McLeod:** Applicants for September of this year. I'm looking for what this year's figures would be based on.

**Mr Trick:** For the current year, two months into the year we have 171,937. Many of the institutions, particularly private vocational schools, have continual intake through the year, so there will be a lot more to come between now and July 31 of next year.

**Mrs McLeod:** So that is a decrease in the number of applications for OSAP from even last year.

**Mr Trick:** No, it isn't, because it only accounts for the first two months of this 12-month year.

**Mrs McLeod:** You have been seeing, though, some decrease in the number of OSAP applicants to university from 1996-97 to 1997-98.

**Mr Trick:** There was some decrease, yes.

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**Mrs McLeod:** But there would be an increase in the number of students applying for university admission, and potentially for the number of admissions, I believe.

**Mr Trick:** I'm sorry?

**Mrs McLeod:** There would be an increase in the number of applicants to universities and I believe an increase in admissions, or would there be a decline in admissions?

**Mr Trick:** Admissions this year are up a fraction of a percentage point.

**Mrs McLeod:** I'm not sure whether this is a question to you, Mr Trick, or back to the minister, but I'm curious to know why we would be seeing a decrease in applications for student assistance when we have an increased number of applicants to university and a slight increase in admissions, and why we would be seeing over 1996-97 to 1997-98 a significant decrease, close to \$60 million — about \$57 million — in total value of loans to students, and then you're predicting this year again a further decrease of about \$35 million in the total value of loans. I'd like some explanation of that. We have more students applying, wanting to go to universities, but we have fewer applicants and we have a decreasing value of loans.

**Hon David Johnson:** In terms of this particular year, I'm not sure we're far enough into the year to have

statistics that will be of great help to you. Mr Trick will pipe up at his will. The first-year enrolment at colleges and universities, to my understanding, is up a wee bit, but it's not up very much; it is up marginally. I'm not sure that the final numbers are in. When the final numbers come in, we may find it's flat, we may find it's up a little more, we may find it's in the ballpark.

**Mrs McLeod:** Can you explain the decreased amount of loan funding that you're providing to students, then?

**Hon David Johnson:** Has there been a decrease in loan funding? It may have to do with defaults.

**Mr Trick:** There are a couple of pertinent things here. First of all, the figures you're looking at there are loan amounts, as opposed to expenditure amounts.

**Mrs McLeod:** I realize that. I have further questions on the expenditure amounts.

**Mr Trick:** With respect to changes from the preceding year, you recall that in February we announced a number of measures to focus the program more closely on the people who are in the greatest need, so there were changes in terms of designating institutions which had very high default rates; changes in terms of credit screening of applicants who had poor credit histories; a change in the criteria by which students are declared to be independent of their parents so more students are being expected to have a parental contribution; a change to the parental contributions from the preceding year. There were a number of measures that would tighten up the program in terms of focusing more on the students who actually need the money. That causes year-over-year changes.

**Hon David Johnson:** Bear in mind we're not just talking about universities and colleges, but vocational schools as well. There may have been some programs at vocational schools which would have been above the default limit. I doubt there were any at the universities and probably none at the colleges.

**Mrs McLeod:** As I understand it then, your default, the dollars you're actually spending on default, is included in your figure of \$650 million for the total value of loans. Is that what you're telling me?

**Mr Trick:** The default expenditure only appears in the expenditure amount; it's not a loan per se.

**Mrs McLeod:** That's why I'm trying to get at what would have led to the significant decrease from 1996-97 to 1997-98 of \$57 million in the value of loans that were made to students. We know the part-time students were dropped off; that was one of the factors. But that was only about \$13 billion in reduced costs. So somehow somebody is not getting the support they were getting the year before, and you're expecting it to drop off again.

I think what you've answered, Mr Trick, is that there are a number of students who can't get funding any longer because you've raised the bar. We knew you had raised the bar in terms of what parents were expected to contribute, what the students were allowed to earn, but there is still a host, I would think, of unmet need. You've described the number of applicants. It is down and that worries me because I think one of the reasons the applications for OSAP are down is that we are starting to



see a sticker shock effect. There are fewer lower-income students, whose families can't provide the support, who are even attempting to go. That worries me, that the number of applications for OSAP is down, even when the number of people wanting to get into school is going up.

I still don't understand why there could be so much unmet need at a time when your value of your loans is going down. Why are you reducing the amount of funding that is actually going into it? You're going to tell me, I know, that if we go to the actual cash flow in a given year, I'm going to see that you expect it to go from \$504 million to \$535 million this year. I see that figure. I'm curious what you include in this. I think the minister made some reference to that \$535 million in his opening address as being 30% over the 1995-96 figure.

I'm also looking at loan forgiveness, which basically means the number of students who are experiencing so much debt that you have to forgive what's over the \$7,000. The loan forgiveness has gone up by almost \$277 million since then. The interest relief, again for indebted students, is up by \$357 million. Your loan default is up by \$108 million and you're expecting a significant increase in loan default again.

**Hon David Johnson:** What page are you on?

**Mrs McLeod:** I'm on your student support items. I can give you line by line, if you like.

**Hon David Johnson:** Or if you just give us the page.

**Mrs McLeod:** Starting on page 75. We'll work our way through, if you like. I guess you're not going to be able to do the additions and subtractions quickly enough. I'm basically asking, what's in the figure? Based on loan forgiveness, interest relief and student defaults, you should be spending a whole lot more than you're showing here.

**Mr Trick:** I think one of the reasons the numbers don't appear to match is because the set of accounts that was used for estimates is the cash accounts. The numbers the minister is citing are on an accrual basis, which are the numbers we use in the provincial budget. Therefore, if you add up different sets of numbers, they won't come to a comparable total.

In terms of the numbers the minister cited on an accrual basis, we are going to spend \$535 million this year on OSAP. On a cash basis, the figure that is in the estimates book on page 71 is \$701 million. Some of the differences you're citing are differences between cash estimates and accrual accounting.

**Mrs McLeod:** So the figure that is most relevant in terms of the money that actually flows to students is the total value of the loans for 1998-99, the \$660 million? Is that actually the best figure in terms of representing what support the government is prepared to provide to students in the coming year?

**Mr Trick:** I think actually the number the minister used, which is \$535 million, is on an accrual basis, the cost to the taxpayer this year of the loans and grants that are issued this year.

**Mrs McLeod:** That's nicely handled, Mr Trick, but I'm talking about the money that goes to students and the

fact that the value of loans to students is going from \$705.6 million to \$660 million.

**Mr Trick:** I guess the reason I would qualify that is that it doesn't take into account how much of that loan is ultimately forgiven and converted into the form of a grant. In that sense, it doesn't really give a full measure of the support the government's providing to students.

**Mrs McLeod:** But it is the measure of how much financial support is available to students who are applying to OSAP this September, in terms of how much money the government is prepared to make available to them through loans. The issue in terms of the taxpayers in your expenditures, I quite agree, is the \$535 million. As I say, I'm surprised. We'd have to go over line by line, in terms of accrual versus cash flow, to determine why that figure isn't even higher, when your loan forgiveness, interest relief and default rates are as high as they are. But that's not my question.

My question is in terms of dollars in the hands of students who need support this fall. There will only be \$660 million versus the \$705 million that was there last year. I don't understand how that can happen when we have more students, when we know that the costs are higher, that the debt loads are higher. Your loan forgiveness numbers, your default numbers, all say the debts are higher, the costs are greater. There's got to be unmet need out there. Why is there less money in the hands of students?

**Hon David Johnson:** I don't know what the point here is exactly. Clearly, through the years there's more direct financial support getting into the hands of the students. The amount this year is the \$535 million, which is direct financial support. If the member is enamoured with the loan, which has to be paid back, that's the approach the federal government takes. I think students prefer to have money in their hands, which is the approach the provincial government takes in terms of the monies that are available that get into the hands of the students.

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If one looks back to 1989-90, which is a year I'm sure the member would be very familiar with, indeed I think she was the Minister of Colleges and Universities. Am I right? At that time I wasn't here.

**Mrs McLeod:** No, actually, but that's all right.

**Hon David Johnson:** Was I close?

**Mrs McLeod:** Close.

**Hon David Johnson:** The amount of direct monies getting into the hands of the students was under \$200 million, whereas this year it's over \$535 million. She may wish to ponder that point. That's a fairly significant point.

In terms of students wishing support, the only changes that have taken place that I can recall over the last year which would affect student support, the only eligibility criteria, would involve, for example, at institutions where they had a tremendously high default rate, programs, beginning this fall — and I think this would affect the vocational schools more than the colleges and universities, but if the default rate I think was above — what? About 38%?

**Mr Trick:** It's 38.5%.

**Mrs McLeod:** I understand that.

**Hon David Johnson:** — then the students would not be eligible for OSAP in those programs, or else the institution would have to guarantee —

**Mrs McLeod:** I understand that you —

**Hon David Johnson:** If you're angling that we have somehow clamped down on giving loans or monies to eligible students, absolutely nothing could be further from the truth in that.

**Mrs McLeod:** Oh, but you have.

**Hon David Johnson:** Let me set your mind clear so that you can sleep tonight, because that is not the case. But in terms of institutions with a high default rate, yes, we have said, "You have to bring your programs in line," or in terms of students with a bad credit record, on behalf of the taxpayers we've said, "Yes, we have to deal with that situation." Other than that, the students will be getting the loans and getting the money, getting the money in increasing amounts than they have over the years.

**Mrs McLeod:** I give up. I surrender. Your default rate is actually up this year. You have higher default costs, so higher default costs cannot explain a reduction in the amount of money that's flowing to students. There's no question you have raised the bar. There's no question there is unmet need, that you have decided that rather than meet the unmet need by increasing the support for students, you have decided to have reduced funding in the hands of students —

**Hon David Johnson:** I'm unaware of any student who has been denied. Was any student who qualifies denied an OSAP payment? I'm told no. Not one student.

**Mrs McLeod:** If we want to get into a discussion and comparison, I would be happy to go back and compare costs to students, debt loads to students, and loan and grant combined support that was available to students 10 years ago in comparison to current costs, current tuition levels, current debt levels and the fact that you have not adjusted the level of support that's available to individual students to reflect any of those costs. When you say that no student has been denied, that doesn't mean to say that students are getting the support they need to meet the increased costs, which your government has imposed on them. That's the issue I'm trying to raise.

Another question, since I have surrendered trying to get information on that: I'd like to know whether you have a figure on the fact that you've decided to cancel the six-month interest-free period after graduation, whether you have any figure, Mr Trick, on how much that has actually saved the government, in terms of not having interest relief.

**Mr Trick:** Let me see if we have that figure.

**Mrs McLeod:** In the meantime, I'll ask another question. I had the page reference and it slipped out. Can you explain the \$43 million dollars in a transfer from the Ministry of Community and Social Services?

**Hon David Johnson:** What page are you on?

**Mrs McLeod:** Sorry, I had the page reference. I'll find it again for you. I'm just flipping by the one where it says

that the Canada student loan value has increased every year while the Ontario value of student loans has decreased. But I'll move past that page.

It's on page 71.

That is an interesting chart, though, Mr Chairman, just for your reference. It's almost in direct proportion.

**Mr Trick:** If I could take those two under advisement we'll provide you answers to those later on.

**Mrs McLeod:** I'd appreciate that. I'd also appreciate knowing whether in any way the reduction in actual Ontario monies that is flowed to students — back to my \$660-million question — in any way reflects the fact that as the Canada study grant was put in place, that money has been deducted from the Ontario student loan support, whether there's any equivalency between the amount of money that has flowed through the Canada study grant program and the reductions in Ontario student loan funding to students, because I think that's part of the answer that I was looking for.

Do we have more moments, Mr Chairman?

**The Vice-Chair:** You have one minute left.

**Mrs McLeod:** I have one minute and several questions. I'm anxious to know why the \$29 million that was supposed to be given to start to correct the problem with discounted BIUs has not flowed, but I'm going to hold that question and ask where I will find a line under capital funding that addresses the concern that the council of universities has presented to you that shows they need \$165 million simply for maintenance over the next 10 years. Where will I see the maintenance funding that's been given to the universities in response to that need?

**Hon David Johnson:** This would be the amount of capital funding.

**Mr Trick:** Right.

**Hon David Johnson:** I think it was a three-year agreement that the council of universities —

**Mrs McLeod:** On maintenance, Minister?

**Hon David Johnson:** If you're talking about the capital program.

**Mrs McLeod:** No, just maintenance. I'm looking for the maintenance budget.

**Mr Trick:** In the capital budget there's a portion specifically for facilities renewal, which is \$22.5 million, and that is the last year of a three-year budget. There could be further commitments after this year, but we don't have a budget for future years.

The figure from the Council of Ontario Universities is an estimate they have put together and it's obviously something we're discussing with them now.

**The Vice-Chair:** We'll move to the third party; Mr Lessard.

**Mr Wayne Lessard (Windsor-Riverside):** Minister, you were talking about the investment in student support being \$535 million for 1998-99. I was wondering what percentage of that \$535 million is repayable.

**Hon David Johnson:** None of that is repayable.

**Mr Lessard:** So none of that includes any loans at all.

**Hon David Johnson:** No loans; that's right. Actually, of the \$535 million, about \$122 million is default on



loans. Once it's considered a default in the \$535 million I assume there's no further attempt to collect on it.

**Mr Trick:** There is a possibility that of the \$122 million that we put for loan defaults some small portion would subsequently be repaid, but it would not be a particularly large amount.

**Hon David Johnson:** It would be minute. I thought I'd better mention that, because I guess it's conceivable that — probably we're talking nickels and dimes, but at some point in time somebody who defaulted might actually be in a position to pay and that might actually happen. But I'm sure that 99% of the \$535 million, if not 100%, would involve no payment back.

**Mr Lessard:** OK.

I'm reading from a press release in December 1997 with respect to spending. It was from the Ministry of Finance, not from the Ministry of Education and Training, but it did refer to the fact that colleges and universities would be able to increase their tuition fees. We know that universities and colleges did increase their tuition fees, and that was the subject of subsequent announcements. Also, there was an announcement with respect to the deregulation of fees for some professional programs as well. That press release indicated that if colleges and universities choose to increase their fees, they'd be required to set aside a portion of their operating grants equal to 30% of any new revenues from those increases to provide assistance to students in need.

Given that colleges and universities have increased tuition fees to varying levels, can you tell me whether they have instituted programs to provide assistance to students in need?

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**Hon David Johnson:** Yes, they have. The estimates this year, 1998-99, is that there is \$86.5 million set aside, to be precise. That's the number I have. That's the total fund, I would guess. I don't know how much money is actually flowing this year, but the fund — am I correct in that?

**Mr Trick:** They're obliged to spend that money this year. If there is a little bit left over at the end of the year, they're obliged to carry that over to next year.

**Hon David Johnson:** So that's the amount that will be spent this year?

**Mr Trick:** Yes.

**Hon David Johnson:** Actually, then, roughly \$86 million or \$87 million would be spent this year in assisting students who need financial support as a result of that very program, the 30% set-aside.

**Mr Lessard:** Is there any mechanism in place for the ministry to monitor how universities are implementing those assistance measures to students in need? How is it that you'll be able to tell that students in need are the people who actually benefit from the revenues from increased tuition fees?

**Hon David Johnson:** I'm going to ask Mr Trick on that one.

**Mr Trick:** We require every university and college to report at the end of the year on how they have spent their

30% set-aside. For the year just ending, they spent \$34 million and assisted approximately 43,000 students. That is the summary of last year's reports, and we'll require them again next summer to report on the current academic year.

**Mr Lessard:** And you follow those up or provide some sort of auditing of them?

**Mr Trick:** Those are subject to audit, yes.

**Mr Lessard:** Have you done any audits?

**Mr Trick:** They're audited as part of the university or college's regular audit cycle.

**Mr Lessard:** Many of the complaints I've been getting from students are not only with respect to the increased tuition fees but also with respect to some of the user fees that have been imposed as well. Primarily, it has to do with the \$10 fee for the paper applications by students and also the \$2 fees to call the 1-900 number to ask questions about their student assistance applications. Can you tell me how much revenue is being derived as a result of those application fees?

**Hon David Johnson:** I'll say at the outset that the \$10 application fee is applied if the application is manual, if it's done on paper, but if the application is electronically through the Internet, there's no charge. Apparently, about 40% of the applications at this point, and rising, I assume, are submitted electronically, so 40% would pay nothing. The \$2 fee — that's an update, and again through the Internet there's a free-of-charge method of doing that.

**Mr Trick:** It's a 1-900 telephone.

**Hon David Johnson:** Sorry, a 1-900 — and that's free of charge?

**Mr Trick:** Two dollars.

**Mr Lessard:** For the 900 number, it's my understanding there's a \$2 charge.

**Hon David Johnson:** Yes, 1-900 is a \$2 charge. I stand corrected on that. There's a \$2 charge for having the update on the status.

In terms of the revenues in 1997-98 — I don't know that we have anything more recent; correct me if we do — there's about \$330,000 in monies as a result. Do those monies stay with the institution, Mr Trick?

**Mr Lessard:** That is my next question. What happens to those revenues?

**Mr Trick:** Maybe just a few numbers as to where the money goes. The total cost of administering OSAP this year will be \$8.158 million. Of that amount, we will recover \$4.1 million from the federal government because we administer their program for them. We're estimating the revenue from the 900 service to be \$340,000, and from the \$10 application fee we estimate the revenue will be \$650,000. The balance, which is \$3.068 million, is provided by the taxpayers to support the cost of administering OSAP.

**Mr Lessard:** But the revenue from those fees goes into general revenue, right?

**Mr Trick:** It offsets the money we get from the consolidated revenue fund to pay for the cost of OSAP.

**Mr Lessard:** The concern I have, and this may be more of a comment than a concern, is that it's all well and



good to provide the free application opportunity for people who can take advantage of that on the Internet, but 60% of the people don't make their applications over the Internet because they probably can't afford that access. Either they don't own a computer or they don't have anybody who does have a computer, which is part of the reason they've had to make application for OSAP in the first place, because they don't have those financial resources to make an application via computer.

The other concern I have is with respect to the \$2 fee for the 1-900 number, because the information I've been receiving is that it's difficult or impossible to get through on that number. I wonder whether you can give me some idea as to any monitoring you've done on that 900 number, the success of people being able to get through and the satisfaction they have in using the system. As I said, the information I've been getting is that they don't like paying the \$2 fee, but they're not happy with the service they're getting even for the \$2.

**Hon David Johnson:** Maybe I should correct. I'm not sure if I'm getting two different messages here, but I am told that a student can check on the status of their account through the Internet for free, so I guess I was right the first time. The student can check through the Internet for free, so they don't have to pay either the \$2 or the \$10. I'm also informed that every public library in Ontario has the Internet, and of course the institutions do. Sometimes students in certain areas or near the institutions — they come in, presumably, and use the Internet there, or through a public library.

I think we all understand that you don't actually have to own a computer or be tapped into the Internet in your living room to have access to it. The students who are at the universities would have access to the universities' systems, once they're there, to get in and find out their status. My expectation is that this number is growing and we'll find through the years that the vast majority will come in for free through the Internet.

**Mr Lessard:** My question was about the \$2 fee as well, and the 1-900 number service.

**Hon David Johnson:** Hopefully, the calls through the 1-900 will diminish as more and more people understand the ability to come in through the Internet, but I think there were about 250,000 calls last year made through it and handled. The exact concern is?

**Mr Lessard:** The effectiveness of it. What I'm being told is that people aren't happy with the service. They have to pay \$2, they have a difficult time getting through on the number and it's difficult to use the system.

**Hon David Johnson:** They don't have to pay the \$2; they can come in for free through the Internet.

**Mr Lessard:** I know. You've made that clear. Are you aware that there are places, remote areas in Ontario, where people don't have access to phone lines so they can connect up to the Internet, or they may not be close to a library, or a university or college for that matter?

**Hon David Johnson:** Generally, the \$2 is for status of their OSAP application. While they're at the institution itself, they would have access. Once they go out into the

workforce and have graduated etc, there may well be locations; I assume that's true. But it's still my expectation that over the years more and more people will understand the Internet system and that it's free and that this is a good service. To the degree that people use that, those who may not have that access in the kinds of situations you're describing — if the service is inadequate now, we'll certainly look into it. I don't know if we have complaints that would suggest we should look into it, but we'd be happy to do that. Over the years, with the diminishing numbers, I assume it won't be any problem to deal with the calls coming in.

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**Mr Lessard:** Referring to another press release from February of this year about the accessibility of post-secondary education, it talks about your invitation to banks to submit proposals giving students different repayment options for their student loans. I'm wondering what the response was to that request for proposals and what the status of that initiative is.

**Hon David Johnson:** The response was totally disappointing. We put out an RFP with two parts to it, one putting forward a proposal that was somewhat akin to the one the federal government had — the federal government made an arrangement a few years ago which expires in the year 2000 sometime, if I recall — asking the banks to participate on the same basis as they are with the federal government on an income-contingent loan program. Realizing that the banks' experience there has not been to their satisfaction, we said, "If you don't like that one, then write in your own proposal," so A or B. The response from the banks was zero. That was very disappointing.

We remain seized of this problem because we feel there needs to be a program. We continue to work with the banks and hopefully with the federal government. The federal government has not shown any willingness, though, to change its program. Bear in mind that about 70% of the money that students have borrowed, that they have to repay — and this is a pretty important statistic — is from the federal government, and the other 30% is provincial money. We are hoping to work with the federal government on this program; however, they have an arrangement with the banks going into the year 2000 and they're not about to change that. That has made it difficult for us, but I'm still committed to bringing in a program. That's very high on the priority list of the ministry.

**Mr Lessard:** Will you be able to do it without the assistance of the banks?

**Hon David Johnson:** Not without the assistance of the banks, no, but I'm hopeful that we can change the mind of the banks. Up to this point I can't claim a great deal of success, but I'm hoping that the future will be brighter.

**Mr Lessard:** You've indicated the relationship with the federal government. That leads me to what steps, if any, have taken place since the question I asked last week about the federal bankruptcy protection being extended from two years to 10 years with respect to student loans. In your response you indicated that it may be worthwhile looking into supporting the NDP bill to revoke that. I

wonder whether you've written to the federal Minister of Finance with respect to changing that bankruptcy protection back from 10 years to two years.

**Hon David Johnson:** No, I haven't written to anybody. I guess my answer was a little more generic, in that I think putting the finger on the federal government is a source of general problems. Indeed, some of the students have done the same thing. I see there were some students petitioning the federal government, not too happy with Mr Martin. "Martin Fails Grade over Student Debts," is the headline from the newspaper dated October 7, just a week or so ago. I think my answer was more generic.

I don't know if you have anything to add, Mr Trick, on the bankruptcy. We'll take it under advisement.

**Mr Lessard:** Will you be writing to the federal government?

**Hon David Johnson:** I'll give notice to Mr Trick that I'll be asking him to do a briefing for me on this matter.

**Mr Lessard:** With respect to your relationship with the federal government and how that relates to the apprenticeship reform that's being undertaken, there were discussions with respect to establishing a federal-provincial labour force market agreement. We got into this discussion during the debate on Bill 55. I wonder if you can give me the status of those discussions and any difficulties you might be having.

**Hon David Johnson:** Those discussions carry on. As a matter of fact, I think there's another one later this week. We've found that the federal government has been in no hurry to make an agreement with the province of Ontario. They have begun labour market agreements with all the other provinces. Their representation in the federal House is largely from Ontario, and the scuttlebutt is that many of their members find it to their satisfaction to have duties around the labour market area that make them visible within their community. So there has been very mixed support in the federal Liberal caucus in terms of reaching agreement with the province of Ontario.

Consequently, Ontario has been put last on the list, but nevertheless we've continued to force the issue. Meetings are taking place. Last night I met at a ceremony with a couple of the human resource people, and they expressed their optimism that it would actually happen. I said, "Which decade?" and they said, "Probably earlier than you might think."

It is important, though, because we would like to present an integrated training package in Ontario. Currently you have two systems — the federal system and the provincial system — overlapping and duplicating and people bouncing back and forth. We would like to have the same opportunities as the other provinces and have one common program that meets the needs of the people of the province.

**The Vice-Chair:** We move now to the government side.

**Mr Trevor Pettit (Hamilton Mountain):** On page 1 of the ministry's estimates book, the last bullet point is, "An Ontario education will offer our students a passport to hope, opportunity, jobs, and growth, now and into the

21st century." During your opening remarks to the committee, you cited examples of the shortage of skilled workers in high technology and manufacturing firms across this province. That's certainly a common theme I hear from a lot of the small business people and manufacturing firms in my riding of Hamilton Mountain.

I'd like you to tell the committee, if you would, what steps are being taken to resolve the shortage of skilled workers who these firms obviously are going to need, and what are we doing to give the young people the tools they're going to need to succeed not only now but in the future as we head into the next millennium?

**Hon David Johnson:** This is really key. It involves initiatives at a number of levels. I'll deal with the post-secondary. One program I've mentioned a couple of times through the estimates process is the access to opportunities program, which identifies high-tech skills required at the colleges and at the universities, programs such as electrical engineering, computer science, computer programming at the college level, for example. These skills are in great demand within our society.

The Canadian Advanced Technology Association, CATA, has estimated that over the next few years there will be a shortage of some 40,000 skilled workers in that area. To make matters worse, recruiters from abroad, most notably the United States, from Silicon Valley, set up camps on our campuses — the University of Waterloo is a case in point — and are recruiting large numbers of young people graduating. There's a huge demand not only in Canada but on a much broader basis.

We have set a program in place which all the colleges have entered and I think now all or most of the universities have entered. The amount of money involved over a three-year period is \$150 million. Some of it is additional money to support students with operating money. Some of it is start-up money, because you can appreciate, if we are increasing enrolment in these programs by up to 17,000 students, which is the target — and I think we'll hit pretty close to that — then space is needed, equipment is needed, that sort of thing.

1650

We've challenged the institutions that we would provide monies for start-up but we'd ask them to match the monies with private sector donations, and they're busily doing that right now and there's a high level of excitement. I think you'll see in the vicinity of 17,000 students in new positions at our colleges and universities there over the next few years. That will go a long way to meet a huge void.

In addition to that, there are other programs such as the excellence in graduate studies in science and technology scholarship, which is \$75 million over 10 years; research excellence awards, \$75 million over 10 years. There are strategic skills initiatives, which I think I mentioned earlier. Conestoga has a program in metal machining, Humber College in telecommunications, Georgian College in auto parts design. These are specific skills where there is a shortage. The strategic skills initiatives of \$10 million that's flowed out for projects, three of them at these



colleges, are allocated bearing in mind a need for specific skills.

The apprenticeship program is another area that has certainly come to our attention where there's a great need for investment and focus. In the auto parts industry, the estimate is that some 40% of the workforce will be retiring over the next five or six years, because the skilled workers are at that age where they'll be retiring and there isn't the flow of skilled workers coming in to fill them.

We've been working very closely to upgrade the apprenticeship program with the various industries, allowing flexibility for the industries to take a greater role in marketing and setting standards. Our objective there is to double the number of new entries from 11,000 new people coming in now to 22,000 new entries into the apprenticeship program to help fill some of the void there.

Those are a couple of examples. I think they've been long overdue, particularly in apprenticeship. I know we discussed this a little bit previously. The apprenticeship program has been one that we in Canada in general and in Ontario in particular have been lacking over the years. There are wonderful opportunities in the tool and die industry.

I was at the Royal York Hotel for the announcement of our apprenticeship program. Cooks are in great demand. I donned the hat and the apron and participated in the program.

**Mr Ed Doyle (Wentworth East):** Did you say "crooks" or "cooks"?

**Hon David Johnson:** Cooks. The people going through that kind of program are in great demand.

There are many different aspects: machinists; and there are some new industries in cabling, skills that 20 years ago weren't even on the radar screen; and in agriculture too, some programs and skills only developed within the last five or six years. There are just so many wonderful opportunities and we haven't focused on it. I hope with the bill that's going through the House right now and the other funding initiatives we have, we will increase the number of skilled workers immensely in Ontario over the next three years or so.

**Mr Pettit:** I trust you're not considering a career change, although I have no doubt you would be as excellent a cook as you are a Minister of Education.

There's no doubt that these changes are long overdue. From my point of view, coming from a manufacturing concern before I got involved down here, I think they're very positive initiatives and they'll be well received certainly by the business people within my community.

I'd like to go back to the teachers' pension plan agreement. We may have gone over this earlier, but I'd just like you to elaborate again for us because I'm still getting the odd call at the constituency office regarding the teachers' pension plan agreement. Please tell us how not only the teachers but, even more so, the taxpayers are going to benefit from the new agreement.

**Hon David Johnson:** The teachers benefit because for several years teachers have been looking for the opportunity for an enhanced early retirement. They did

have a retirement mechanism that allowed that, when the sum of their age and their experience added up to 90, they were eligible for an early retirement. In this day and age that is not one of the more generous plans, and they had been looking for an improvement to that so that teachers who have spent many years in the profession and given valuable service over many years would have the opportunity at an 85 factor. That was the figure that was often quoted, but that didn't happen.

There were changes to the pension plan over the years. The change to bring the plan into its present form was instituted — I guess we have to give credit to Mr Peterson and the Liberal government in the late 1980s. They got the ball rolling but actually didn't implement it. It was the NDP government implementing changes in about 1992. However, at that point they were put in the position that they had to recognize the possibility of an unfunded liability; I think the reckoning was for about \$8 billion.

**Ms Lacey:** It was \$8.4 billion.

**Hon David Johnson:** I'm told it was about an \$8.4-billion unfunded liability. That's the amount they set, rightly or wrongly, and they began the payments for an unfunded liability at that level, which amounted to about \$400 million or \$500 million on an annual basis. Subsequently, it has been determined by actuaries, and with the experience gain over the years, that in reality there probably will be no unfunded liability in the very near future and there may not be any today.

The agreement we were able to reach with the Ontario Teachers' Federation was that an actuary would have a look at the plan early next year, in January, to be precise, and if it's deemed at that point that the experience gain outweighs the unfunded liability in the sense that there is no unfunded liability, then the extra payments would cease and desist at some point in time. I'm not exactly sure when the last payment would be made, but as soon as the unfunded liability has disappeared.

The other part of the deal was that the teachers would have access to the 85 factor for roughly a four-year window. We are seeing that many teachers are taking advantage of that. It's hard to know precisely how many, but the number of retirements is up considerably over the previous year. Not all the people in the teachers' pension plan, though, are teachers. Some of them would be superintendents, principals, maybe some of the directors; even some staff in the Ministry of Education may be included in that plan.

All in all, I think it's a deal that will ultimately save taxpayers \$400 million or \$500 million a year and will be of benefit to the teachers, allowing them an earlier retirement and allowing young people graduating to come into the teaching profession.

1700

**Mr John L. Parker (York East):** Minister, I'd like to ask you a question about secondary school reform, particularly curriculum development. Shortly after our government took office, I was meeting with a group of secondary school teachers and this subject came up. One point they made to me, and I delivered back to the minister



at the time, was that they were concerned about the timetable for secondary school reform.

It was also important to them that if the secondary school curriculum was to be revised and the system streamlined, it was important that the primary school system be enhanced in advance so that the students coming out of elementary school into the secondary school system would have the necessary and appropriate training and preparation to deal with a more rigorous high school program that did not include grade 13.

I know the timetable for implementing reform in the secondary schools was relaxed — I think another year was added to the timeline for implementing secondary school reform — but I'm interested in knowing just what the current status is.

My question, I suppose, has a number of parts. It boils down essentially to this: I'm interested in your comments on what the program is for secondary school reform, what the timetable is for implementing it, what the timetable is for eliminating grade 13 and, specifically, what curriculum reform is planned for the secondary school system in the province.

**Hon David Johnson:** The secondary school reform will proceed next year, beginning in the year 1999-2000. The elementary curriculum has been put in place this fall. It's not all going to be implemented in its entirety. I think we've made that clear. The math and language, though, did begin over a year ago, so one would expect that the students coming into secondary school would have the benefit of math and language over a period of roughly two years and all the other aspects of the elementary curriculum over a period of roughly a year, albeit not fully implemented, perhaps in particular social studies, which appeared on the scene very recently.

The secondary curriculum is being written as we speak. Some 15 teams are writing the curriculum. They've had a couple of reviews with various stakeholders and interested parties. That process carries on. The grade 9 aspect will be implemented in 1999-2000.

I'm going to ask the deputy to make a few comments on that as well, because I know she has maybe a few more details than I have.

**Ms Lacey:** I'll start, and I don't know whether staff would like to continue.

As the minister has said, about 15 teams are looking at course outlines for all the credits that will be involved in secondary school reform. We are well on the way in terms of the implementation of grade 9 for September 1999. The government did delay the implementation of secondary school reform so there would be sufficient time for the elementary school reform to take place and for the training of teachers to be launched.

We have just released the course outlines, which means that in all our schools all the principals have in their hands by now exactly what the course outlines will be so that students will be able to determine from the guidelines and the course selection studies what it is they will be studying in September. Those course outlines will really direct the

curriculum development that will take place at the Ministry of Education and Training.

The teams that have been established are teams of experts from the field. We are working, and have continued to work, not only with the associations but with the federation. There is extensive involvement of parents and community. Each one of the teams not only has subject experts but they also have experts in the area of anti-discriminatory education and native education.

We will be launching in the very early new year the new secondary school report card. Again, we've already had extensive consultation with the field in terms of what would be the content of that report card.

We have a plan for the implementation of grade 9. We have shared that plan for implementation with the council of directors of education, as well as with all three principals' associations.

It has been, and will continue to be, an extremely iterative process whereby the involvement of the federations, which has taken place all through the secondary school reform over the last two years, will continue. Essentially, we will maintain the criteria for an effective secondary school education program, and that is ensuring that those youngsters who go on to college and university do experience success in the transition. But there will be a very special focus in this secondary school reform on those youngsters who go on to the labour market. We have a concern that those kids haven't been successful up to this point. So we are putting special attention not only to the applied courses those kids will be taking but also to the school-to-work transition programs. The ministry has invested very considerable amounts of money for those youngsters.

We are in the process of developing the provincial literacy test. We have already contracted with the EQAO to ensure that we have a grade 10 literacy test that meets the standards they have set for us.

We're well on our way to implementing a very effective program for all the kids, but particularly with focus for the grade 9 kids for September 1999.

**The Vice-Chair:** We'll move to the official opposition.

**Mrs McLeod:** A couple of very quick things before I turn it over to my colleague. Just on the secondary school curriculum, Deputy, how many credits would you expect would be ready for September 1999?

**Hon David Johnson:** How many credits?

**Mrs McLeod:** The deputy might answer. It was a flow-through from what she was just saying. How many credit courses are being written in preparation for September 1999? Still around 260?

**Ms Lacey:** We're doing all the basic courses that will be necessary for grades 9 and 10. All the credits they will need will be in place for them.

**Mrs McLeod:** So you don't know how many.

**Ms Lacey:** I don't know. Richard, you may know this. Certainly all the basic credits in terms of the eight credits they need, plus —

**Mr Richard Gauthier:** Richard Gauthier, acting assistant deputy minister of French-language education.

All the credits will be ready as such; it is over 200. We will have the over 200 credits ready by that time.

**Mrs McLeod:** That's 9 to 12?

**Mr Gauthier:** Yes.

**Mrs McLeod:** So 200 credits, 9 to 12?

**Mr Gauthier:** Yes, 200-some-odd credits.

**Mrs McLeod:** Coming back to post-secondary, one of the concerns the institutions have is the effect of the double cohort and the funding for that. As I indicated on the first day, I'm still having trouble figuring out where the double cohort comes from. I'd like to know precisely what is in the secondary school curriculum reform that will enforce the four-year leaving of students since the credit hours are the same and the number of credit requirements is unchanged. History has shown that students choose not to do it in four years. What changes will actually bring about a double cohort this time?

**Hon David Johnson:** I don't think it's expected that all of these students will graduate at the end of the four years. Some students will take longer.

**Mrs McLeod:** What would cause any students to do it faster than they did historically when Bette Stephenson did the same thing that you're about to do again?

**Ms Lacey:** I would say that one of the motivations that will be there and that was really brought about at the request of post-secondary institutions is the fact that there will be disclosure of students' marks in subjects. In our discussions with the Council of Presidents and community college presidents, they requested that we ensure, in order to give a full picture of a student's academic achievement, that those records be passed on. I don't know that that will have a huge impact in terms of the number of youngsters graduating, but it certainly will give the post-secondary institutions a clearer picture, as it will the teachers and the students, in terms of career planning.

As well, I would say that the fact that our youngsters will be required to have an educational plan starting in grade 9 next year will mean there will be a much more intensive interaction between counsellors and young people so that they, together with parents, make wiser choices from time to time and we don't have as many kids dropping out half-way through a course.

1710

**Mrs McLeod:** I appreciate that. The bottom line is it's still the same program —

**Hon David Johnson:** Again, bear in mind that the four-year program at the secondary level is the norm. Ontario is the only province that has the five-year now.

**Mrs McLeod:** I agree. It was put in place by Bette Stephenson, it continues, and any claims that you've taken a year off secondary school education are simply unfounded.

**Hon David Johnson:** As I understand it, even in the United States, for example —

**Mr David Caplan (Oriole):** I have a number of areas that I'd like to cover. The first one is in regard to the fact that this past summer and through September we had a settlement of the community college collective bargaining. The minister referenced Fanshawe College. I was there

yesterday. It's interesting to learn that the cost of that settlement will be about \$3 million on their \$90-million operating budget. Will the ministry be funding the cost of that settlement?

**Hon David Johnson:** The ministry funds the colleges. The Council of Regents, of course, does the negotiating, and the Council of Regents is in touch with the various colleges to understand what is affordable and what isn't. The ministry has provided clear funding to the colleges. The colleges take that funding, understand their needs, react with the College of Regents. The College of Regents has reached the agreement and I'm sure that the —

**Mr Caplan:** May I contact Dr Rundle at Fanshawe College and tell him that \$3 million to cover the cost of that settlement will be forthcoming from this government, from yourself, from the Ministry of Education and Training? It's a simple question. Yes or no?

**Hon David Johnson:** You're free in a democratic society to contact anybody you wish. The colleges understand that they've been given the funding for the year 1998-99 and they understand that they, in discussions with the Council of Regents, have reached a contract agreement with the union.

**Mr Caplan:** I'll take that as a no. I'll move on.

Minister, last week, on Thursday, I was actually a bit shocked. For the first time you began to accept personal responsibility for the huge increases in tuition and for the crushing debt levels. You said that you were going to be personally involved in these quality improvement plans at the post-secondary level. My question to you is: Given that earlier today you said 16 out of 18 universities and 24 out of 25 community colleges have submitted them, how many have you signed off on? How many have you sent back because you deem them to be inadequate?

**Hon David Johnson:** The procedure does not involve the minister signing off or sending back. I am interested in it because this is the first year and this is the first government. No other government has required quality improvement programs.

**Mr Caplan:** So you're not —

**Hon David Johnson:** If I'm allowed to speak without being interrupted — I guess that's the member's method. I am interested in it because this is the first time and I have discussed this with the staff, and the staff have committed to getting further review to me as a result of the discussions over the past couple of days.

I have also been assured that these plans are available to the students. It's fine for the Minister of Education to see the plans and to understand the quality improvements but it's even more important that the students on the campuses have access. That's why I've been assured that some of these plans are on the Internet and other —

**Mr Caplan:** If these plans —

**The Vice-Chair:** Hurry up, Minister, please.

**Hon David Johnson:** I'm sorry, I think I'm allowed to answer the question and I think if the member would —

**Mr Caplan:** Well, answer the question.

**Hon David Johnson:** It's rather unusual for a Chair to take that sort of approach, I might say.



**Mr Caplan:** Not at all. Answer the question.

**Hon David Johnson:** The answer is that the students need to see this. They'll be seeing it through the Internet and other techniques and I'll be interested as well in seeing plans to understand how the students get access.

**Mr Caplan:** I take it, Minister, that when you directed that these be submitted to your ministry and were taking a personal interest and involvement in this that you were going to be doing something with these plans. If it's just to be filed in some cabinet and stored away, I don't understand what the point is. If you are not judging the adequacy of these plans, whether they meet certain criteria — and I believe in your memo your assistant deputy minister has listed some of the example criteria which might be in there or not — what is the point of submitting it to you? Where is the accountability, is the real question.

**Hon David Johnson:** The accountability is right back with the students.

**Mr Caplan:** OK, good. So the students —

**Hon David Johnson:** Now, you see, I have to have a chance to speak.

**The Vice-Chair:** In all fairness, give him an opportunity to speak.

**Hon David Johnson:** Yes, exactly, thank you.

**Mr Caplan:** OK, I'll give him an opportunity.

**Hon David Johnson:** The key here is that the students have to have the opportunity to see the quality that's being built in, because the students and their parents, along with the taxpayers to some degree, are paying the freight. The students are most concerned about the quality improvement.

So I think the tone is belittling the opportunity for the students and the universities and the colleges to interact. I have a great faith in the students. I have a great faith in our post-secondary institutions. You may not share that faith with me, but I have a great faith that if these plans are visible and the students can see them, then the students will interact with the institutions and guarantee that the plans are to their satisfaction. Of course, the post-secondary institutions do have an independence from the government but they are accountable to their students. That's where the accountability is.

**Mr Caplan:** So it will be the students then who are responsible to say whether these plans meet a standard of adequacy. If the students judge that these plans do not — because the minister has said that the institutions are accountable to the students — the penalties are reductions in grants. Hence, obviously, tuitions will go up or quality and programming will decrease. Is that the response of the Minister of Education, that if students are dissatisfied, those are the two options left to them, to either pay more money or see their programs decline?

**Hon David Johnson:** I think the member is expressing very little faith in the power and the ability of the students. The students are a very strong organization on our campuses and have a great deal of influence with the board of governors, and I have confidence that the students, seeing these quality improvement plans, as we've required that

they be accessible to the students, will have a good deal of satisfactory input into the board of governors.

**Mr Caplan:** I can assure you, Minister, that I've been contacted by a number of students who've attempted to access these plans and have been unable to do that. If that continues to be the case, I'm sure the minister may take some more interest.

I have a number of other questions. One is in the area of apprenticeship. Minister, I must admit I was a bit shocked that we are going to have public hearings on Bill 55. The bill deals mainly with regulations. What is the status of those regulations being drafted and will you give a personal undertaking and commit today that those regulations will be at the committee for its study and comment?

**Hon David Johnson:** Regulations are part of any public hearing process. The public hearing process will be valuable and we would insist on the public hearing process. I don't know why you'd be shocked. I guess that's the nature of party politics, to express shock over something like this, but this government has a record, bar none, in terms of having public hearings involving the public and having input.

**Mr Froese:** The best.

**Hon David Johnson:** The best, absolutely.

This public hearing process will be the same as other public hearing processes. We will be looking for input from all the stakeholders and people interested in the apprenticeship program and they will help us in developing not only the act but the associated regulations.

**Mr Caplan:** If I could be clear: The draft regulations will be submitted to the committee, yes or no?

**Hon David Johnson:** No, this is, again, like any other process. The involvement and the input into the public hearing will assist us in drafting the regulations at a later date.

**Mr Caplan:** OK, so that's a definite no.

Mr Chair, I want to refer back to the minister's opening statement where he makes an interesting claim: "Ontario's youth have gained almost 46,000 net new jobs."

I have a fact here from the labour market and research division of the Ministry of Education —

**Mr Froese:** Are you shocked about that?

**Mr Caplan:** I am a bit shocked, because their own information indicates that the employment over the period of time is an increase of 29,000 jobs. I wonder if the minister could please explain the discrepancy between his opening statement and the information that the labour market information research branch of his own ministry provides.

1720

**Ms Joan Andrew:** I'm Joan Andrew, assistant deputy minister responsible for training. If you'd like to share the information you've got there I'll go and track down that discrepancy and explain it. Or just give me the title. I could probably —

**Mr Caplan:** OK, it's Update on Labour Force Survey Statistics for September 1998 data. The fax date was



October 9 that it was received. So I do have that for you, but I must admit I found that quite distressing.

**Hon Mr Johnson:** There have been a number of young people hired in Ontario in the last while, so I guess one thing one has to recall is that the numbers do change on a month-to-month basis.

**Mr Caplan:** That's a heck of a change.

**Hon David Johnson:** Yes, well, I can understand that you're not prepared to accept that. That's of no concern to me.

The recent experience over the last few months has been very positive in terms of employment of younger people, but I guess we don't have our fingers right on those numbers at this point in time.

**Mr Caplan:** Then I'll ask, Chair, through the minister, will those figures be provided directly to me?

**Mr Young:** You'll ask the Chair?

**Mr Caplan:** Well, through the Chair. Thank you for your help.

**Hon David Johnson:** The numbers will be provided. Absolutely, there's no problem.

**Mr Caplan:** I wanted to move on. As well, in the minister's opening comment, you referred to the Ontario summer jobs 1998 initiative. You did comment that you have helped 61,000 young people to find work. In all kinds of documents, in the Ministry of Education business plan, a different number exists. I believe that number is 34,000, and you expected to exceed that by 10%, so you could add another 3,000. In your own announcement earlier in the summer with the Premier, you were talking about 47,000. I was wondering if you'd please break out the 61,000 — where, which programs I would be able to attribute that 61,000 figure to. There are five programs that you have: summer job service, student venture, summer experience Ontario, Ontario government, the Ontario-Quebec summer program. So if you would please attribute the 61,000 to the different accounts.

**Hon David Johnson:** The actual target was 48,500 at the beginning of the summer, and the total reached was almost 61,000. The bulk of them would be through the subsidy program for organizations employing students during the summer, but I don't know — who do we have here? Joan, do you have the exact breakout?

**Ms Andrew:** Of the 48,500 this summer who were directly placed in jobs, about 35,225 were in either subsidized jobs or self-employment, and another 13,000 received job counselling, job assistance in activities through our JobConnect network for placement with employers, referral counselling, job search techniques and placement with employers in unsubsidized jobs. Those were the targets. By the end of July the actual achievement was 47,000 in subsidized jobs, exceeding the target by about 12,000. So the target was 35,000 and the achievement was about 47,000. We exceeded the target by about 12,000 in the subsidized jobs side. In the counselling, placement, referral to employers side, the target was achieved.

**Mr Caplan:** I'm referring to the 61,000 that was quoted. Could you just take me through —

**Ms Andrew:** Well, 47,208 is in subsidized jobs and 13,600-something is in placement to employers.

**Mr Caplan:** OK, and that was through the JobConnect, through the normal —

**Ms Andrew:** Ontario summer jobs is delivered by our JobConnect delivery network.

**Mr Caplan:** Right. So you added in the JobConnect folks over that summer period?

**Ms Andrew:** No, the agencies that deliver the JobConnect program year-round also deliver the summer job service component of the Ontario summer jobs; they do two functions in the summer. But the JobConnect, the non-student youth are not counted in that data.

**The Vice-Chair:** Thank you, Mr Caplan. We move to the third party.

**Hon David Johnson:** That was really good news, wasn't it, the 61,000? The best ever.

**Mr Caplan:** I'm delighted.

**Hon David Johnson:** I'm glad you're with us on that one.

**Mr Caplan:** I'm very happy.

**Mr Young:** He was shocked, now he's delighted.

**Mr Caplan:** I look forward to debating further with you, Minister.

**Hon David Johnson:** Can I encourage you to ask me a question in the House on that tomorrow?

**Mr Caplan:** I have lots of questions.

**Mr Lessard:** It's good to see that he's gone from shock to joy.

I just wanted to follow up on my previous line of questioning about the labour market development agreement and the negotiations with the federal government. We know that there's going to be a withdrawal of federal funding on June 30, 1999, and I wanted to ask what is going to happen to your apprenticeship reform in the event that you're not able to come to an agreement with the feds.

**Hon David Johnson:** This is a key issue. Yes, the feds are diminishing their monies for apprenticeship too. At one point there was about \$40 million — \$42 million to be precise — in apprenticeships, and by the end of next year there will be zero federal money involved. So this is another reason why we're needing to get these two parts of the program together, coordinate it so we can properly support both the apprenticeship program and the training program. The question is, what's going to happen if the federal government is reluctant or unwilling to come to the table and reach an agreement with us.

I can tell you that we're putting a lot of energy right now into reaching that agreement. It is becoming more of a problem. Some of the training is over a long period of time and some of the trainers are unwilling or unable to get involved in programs that extend beyond the federal deadline.

**Ms Andrew:** The federal government won't approve subsidies for training that will go beyond June 30.

**Hon David Johnson:** Some of those training programs have already started in September. Some of them take place starting in September and going beyond June of next

year. So there is a problem that's already begun, albeit with a very small number of programs and it's going to be an increasing problem as the months go by. I'm not too sure I can give you the total and maybe satisfactory answer at this point, other than we're putting a lot of energy into reaching this agreement with the federal government. We have a meeting, I guess it's actually tomorrow. I said this week earlier but it's actually tomorrow. Your point is probably a good one that we'll have to develop a backup strategy. Certainly there's some thought given to that, but I couldn't outline —

**Mr Lessard:** Will you commit to continue the funding at least for the people who are in those training programs that extend beyond June 30, 1999?

**Hon David Johnson:** I can't see any course of action other than the provincial government would have to ensure that there's an adequate flow of monies to support the training that's required in the province of Ontario. Precisely what amount of money that is, I don't know, but if we're left in the lurch by the federal government we'll have to ensure that the people of Ontario get the kind of programs they deserve.

**Ms Andrew:** Specifically as it relates to planning the apprenticeship in school purchases for next year, we're already in discussions with both the college system and the non-college training delivery agents as we call them, the industry trainers, about planning training purchases for next fiscal year, how to manage the new regime. Exactly how it gets financed isn't resolved yet but we have set up committees to work jointly with the training training deliverers.

1730

**Mr Lessard:** One of the things I'm concerned about is the impact that having apprentices pay tuition fees is going to have on their willingness to engage in apprenticeship training and also the future debt they may incur as a result of undertaking apprenticeship programs if they so choose and whether that is going to be a disincentive for people to actually engage in apprenticeship training programs.

The minister, in response to a question from a member of the government caucus, said there is a shortage of 40,000 skilled workers in the high-technology and computer sector and that European recruiters are on campuses here in Ontario to try to get people to relocate from Ontario to Europe. In response, you said, "I hope, with Bill 55, there will be an increase in the number of persons undertaking apprenticeship programs."

Minister, I'm having a difficult time trying to figure out how, by introducing tuition fees for apprentices and eliminating the minimum wage, you expect there to be more people who see apprenticeship training as a viable option for them. I see a lot of disincentives there for people to do that.

**Hon David Johnson:** Our goal, as I indicated earlier, is actually to double the number of people coming in — it's about 11,000 a year — to double that to 22,000. In terms of tuition, we've indicated that until we finish negotiations with the federal government we would not introduce tuition.

The withdrawal of the money from the federal government has meant that the whole area of apprenticeship funding has had to be looked at because the \$42 million, as you can appreciate, is a significant chunk of the funding. When the federal government withdrew that, there needed to be a look at the whole thing.

Perhaps I could ask Joan to comment a little on some of the initiatives to encourage people to come into apprenticeship.

**Ms Andrew:** We have also worked with other provinces that have already introduced tuition fees for apprenticeship, because they didn't experience any reduction in entry to apprenticeship while they introduced tuition fees. There was no reduction in the systems in Alberta and Nova Scotia, in particular, which were the first two provinces. New Brunswick has now also introduced tuition fees, but they haven't had enough time to track it successfully.

We've now introduced an expanded Ontario youth apprenticeship program to start making linkages for young people in high school so they can finish both their high school diploma and start on their apprenticeship system. I think there are a couple of successful examples in Windsor, Sault Ste Marie and Whitby that have already been in place. We have expanded that over the course of this year and made the commitment that there will be no tuition for any student registered in secondary school who is also doing an apprenticeship.

We've also introduced a loans for tools fund, as of this September, where new apprentices can apply for an interest-free loan for the duration of their apprenticeship to help finance the initial cost of tools for apprenticeship.

As the minister said, we are working with industry to develop apprenticeships in some new and emerging areas like network cable installer and help desk attendant, to work with the IT industry. So there are new and expanding occupations in apprenticeship.

**Mr Lessard:** The people to whom I've been speaking say there are people who want to engage in apprenticeships like tool and die or machinist or a number of trades I'm familiar with, coming from the Windsor area and the manufacturing plants, but they find there are no opportunities for them. They can't get into those trades because the industries there aren't taking on people to train in those areas. The parts sector is reluctant to have apprenticeship training programs because they know that as soon as they train them, the people are going to leave and go to GM, Chrysler, Ford or the large industries, where the wages are better.

I'd like to know whether any of the apprenticeship reform is going to address that, and whether you've considered the possibility of mandatory training opportunities for people who do have skilled tradespersons to ensure that they have apprentices, or that they pay into a fund that they get a credit for if they do provide apprenticeship training opportunities for people, to ensure that employers have an obligation to provide apprenticeship training and that the problems of shortages, and the problems of people being trained at one company and then



going to another company right after they get the training, are avoided.

**Hon David Johnson:** This is an issue that does come up. Obviously there are certain employers who swing their fair share of the weight and hire and train apprentices and make a great investment. Many of them who have talked to me indicate the amount of investment that they put into an apprentice. It costs them money, but they do this because they believe in the apprenticeship system.

I was with the Canadian Tooling and Machining Association at their luncheon about a month ago, and many of the people there are good examples of employers who believe in the apprenticeship system and are investing. But at the same time they point out many other employers, and some fairly large employers, who do not have the same attitude, and that makes it difficult.

This issue is being discussed. I don't have a specific program, such as the approaches you've mentioned, to announce here today. Our approach is that we do want to see PACs in each industry involved in giving us suggestions and leadership, encouraging all members within the industry to be involved in training apprentices, and hopefully some good initiatives will come out of that. One of the approaches through Bill 55 is to give more responsibility and get greater leadership from the PACs within the various industries.

**Mr Lessard:** Is that something we might see in the regulations?

**Hon David Johnson:** When you say "that," you mean —

**Mr Lessard:** These initiatives that may be pursued.

**Hon David Johnson:** I guess anything is possible, but I can't promise any particular initiatives. All I can say is that the ministry is particularly aware that there is a concern and, through the public hearing process, maybe there will be suggestions.

Joan, can you add to that?

**Ms Andrew:** The leading-edge technology and co-operative education tax credit that was introduced by the Ministry of Finance has specifically made clear in a recent bulletin that apprentices in tooling and machining, those kinds of skill shortage areas, are also eligible for that tax credit, which is an encouragement to employers, particularly in high-tech and sophisticated manufacturing areas, to hire new apprentices. That's another initiative.

**Hon David Johnson:** That's one that I think is applauded, albeit I suspect many of the representatives would say that if it were higher it would be of greater value. But at least it's a start.

**Mr Lessard:** You listed some new apprenticeship trades when you gave your answer, Ms Andrew. Do you have a list of those new certifiable trades that you can make available?

**Ms Andrew:** I don't have it with me, but I could provide it.

**Mr Lessard:** Could you provide that to me, please?

Are the regulations drafted?

**Ms Andrew:** We made a commitment to work with a number of industry partners on drafting regulations, and

we're still in that consultation process. We met last week with industry representatives on what would be some criteria for the development of future certification standards in trades. We will continue that consultation with the industry folks we've committed to as we develop the regulations.

**Mr Lessard:** Are you consulting with employee groups as well?

**Ms Andrew:** Yes, we're consulting with PACs, which are equally made of employer and employee representatives. They have representation and it was PAC co-chairs who, in July, nominated a process for them to consult within their own industries and come back to us on criteria to determine which trades would and wouldn't be certified in the future.

**Mr Lessard:** How much time do I have?

**The Vice-Chair:** Another six minutes.

**Hon David Johnson:** May I say that I had the benefit of meeting with the Ontario Federation of Labour and Mr Hargrove. We had about an hour's meeting with him and various representatives. We've been attempting to meet with everybody. I am sure everybody would like more meetings and would like us to go further in their direction than we have, but we are attempting to meet with all of the various stakeholders.

**Mr Lessard:** When John Snobelen was the minister, he was initiating the big tuition hikes that we've heard about students experiencing. But one of the things he did, to try to sweeten some of those tuition hike announcements, was to announce a \$20-million scholarship fund. We've heard from students who, once they tried to apply for those scholarships, found that they had been cancelled. The one I'm referring to specifically is one that was based on merit. The students we've heard from are students who worked very hard to be able to access those scholarships.

Why is it that you cancelled that scholarship initiative, and why didn't you tell students about it?

**Hon David Johnson:** In terms of consultation with post-secondary institutions and with various student groups, I guess the feeling was that the direction should be more in terms of need as opposed to those with the highest marks. There are many financial avenues open to students with high marks — I guess that's probably the way to say it. But it was our assessment, in terms of our consultation with various stakeholders in the industry, that there was a much greater need for students who had lower financial means and maybe were denied access to a post-secondary institution if there wasn't a greater focus there. I think that over the course of the last year or so, our efforts have been directed more towards need than merit.

**Mr Lessard:** Thanks.

**The Vice-Chair:** That's it, Mr Lessard? OK. We have approximately 13 minutes for the government. There is going to be a vote at 6 o'clock. That will probably cut it down by about five minutes. Mr Young, do you want to start this evening or wait until tomorrow?

**Mr Young:** I think we're happy to go ahead tomorrow —

**The Vice-Chair:** All right.



**Mr Young:** — depending on how the committee members feel.

**The Vice-Chair:** Then tomorrow we'll finish estimates for the Ministry of Education and Training, and then begin estimates for the Office the Premier.

**Mrs McLeod:** Mr Chairman, I think the minister undertook to provide a number of pieces of information. Might that be available tomorrow, if possible?

**The Vice-Chair:** We have one of the documents that was requested.

**Mrs McLeod:** Yes, we have the enrolment numbers.

**Ms Lacey:** We'll have the others for tomorrow.

**Hon David Johnson:** How much time do we have left tomorrow?

**The Vice-Chair:** Forty-five minutes.

**Hon David Johnson:** Forty-five minutes?

**The Vice-Chair:** Approximately. Forty-nine minutes, exactly.

**Hon David Johnson:** How many seconds?

**The Vice-Chair:** Forty-nine minutes times 60. That's your homework for this evening, Minister.

Thank you very much, committee members. We'll see you tomorrow.

**Mr Froese:** You must be a teacher.

**The Vice-Chair:** Yes, you've got it.

*The committee adjourned at 1745.*

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## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 21 October 1998

**Standing committee on  
estimates**

Ministry of Education and Training

Office of the Premier

# Journal des débats (Hansard)

Mercredi 21 octobre 1998

**Comité permanent des  
budgets des dépenses**

Ministère de l'Éducation et  
de la Formation

Cabinet du premier ministre



Chair: Gerard Kennedy  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 21 October 1998

Mercredi 21 octobre 1998

*The committee met at 1535 in committee room 2.*MINISTRY OF EDUCATION  
AND TRAINING

**The Acting Chair (Mr John Cleary):** I call the committee to order. We have members here from all parties. It's my understanding there are 49 minutes left. We have the parliamentary assistant in place of the minister. We start with a 20-minute rotation with the governing party.

**Mr Tom Froese (St Catharines-Brock):** There are a few questions I would like to ask you, Mr Smith, but before I do that, I'd just like to talk about some of the concerns that young people across the province have. I met with many young people over the last three and a half years, both in my riding and across the province, students who are primarily talking about the concerns they have, more so the senior elementary students, high school students and those who are in college and university. They're extremely concerned about youth unemployment. They're concerned about jobs and where they are or where they aren't.

When we talked about it, they knew that governments of the day bring forward initiatives to combat the problem of youth unemployment, but what they're really looking for is for government to not do so much of what maybe previous governments have done, and that's just provide money for short-term jobs or solve the problem on a short-term basis. What they're really looking for are initiatives that governments bring forward that will actually solve the problem of youth unemployment and create long-term jobs.

We talked a lot about different programs, but they've heard about the apprenticeship program. They talked a lot, not only about programs like that, but how that can assist them in that area of getting long-term, sustainable jobs over their future. The Minister of Education introduced a bill in the House, I believe it was in June of this year, regarding apprenticeships and certification. What I'd like to know from you is, why was the bill introduced, and what will be the benefits of that program for our young people in Ontario?

**Mr Bruce Smith (Middlesex):** First of all, thank you for the question. To start in response to your question, I'm glad to hear that the young people who you're consulting with in the province are asking about apprenticeship

reform and what it is and what it means to them in the province. I'm pleased to hear that, because as much as we do as a government in terms of reforming that system and bringing the current legislation up to date, a large part of that is increasing the awareness that young people have with respect to opportunities they may wish to pursue in the skilled training areas.

Certainly, as you've indicated, the issue at hand is, why did we introduce the apprenticeship act? At the outset, it was one whereby we wanted to have a flexible apprenticeship system in this province, one that is contemporary and certainly responsive to the needs of skilled workers and employers in this province, as we continue to see statistics where we have a declining pool of accessible skilled labourers in this province. Very clearly, there is a need to address the legislative framework that governs that process.

As part of that decision, the bill was presented for the purpose of moving us towards the year 2000 and creating opportunities for young people. I might add that equally important to that scenario is the awareness of opportunities that may present themselves for individuals who are seeking retraining or opportunities and new career directions. Certainly we've heard from a number of stakeholders over the course of the past two years about apprenticeship that that's an equally important part of the formula. It's not just about young people but about providing individuals with new career opportunities. We're confident at the Ministry of Education and Training that the legislative framework that has been proposed in Bill 55 will meet that expectation.

You indicated at the outset that you had been consulting with young people, and I think that speaks well to the degree of consultation that has been provided with respect to apprenticeship reform in this province. Essentially, the ministry, the minister's office, including myself and my predecessor, and the parliamentary assistant's office, have engaged in a number of consultations and dialogues with various stakeholders across the province. I welcome the input that you've received. It's that type of input that's built, in my mind, to improve the apprenticeship legislation we have today.

**Mr Froese:** I do have another question as well. I'd like to thank you for your response. I know the people of Ontario, and indeed those individuals who are looking for retraining, are grateful to the government, yourself, the minister, for finally giving more opportunity for them to be

retrained and to have the opportunity to get training to ensure that they have long-term, sustainable jobs.

In June the government announced a program called the Ontario youth apprenticeship program. I would like you to tell this committee how the program runs and how it will help, particularly, young people.

**Mr Smith:** I think this is one of the exciting parts of apprenticeship opportunities in Ontario with respect to the youth apprenticeship program. It's part of a comprehensive approach to deal with apprenticeship reforms and career opportunities in the skilled trades. By suggesting it's a comprehensive approach — that's why we've pursued the OYAP at the secondary school level in support of the reforms that would be anticipated at the community college level and beyond. It's very much a part of the government's comprehensive approach to not only increase awareness but certainly at the end of the day to see a doubling of the number of apprentices in this province from its current level of 11,000.

It's in that context that the Ministry of Education has provided some \$1.4 million of new funding to secondary school boards in this province, with the purpose, again, of increasing the opportunities for students to participate in that area. In fact, I believe there are some 1,000 students currently participating in the Ontario youth apprenticeship program. The amounts that have been provided to school boards at the secondary school level will increase that number of participants to about 2,000. Very clearly, as I indicated in response to your previous question, it's that comprehensive approach we're looking at, at both the secondary and post-secondary levels, that I think strengthens our opportunity to have an increased number of young people involved in the apprenticeship system.

If I may move away just a little bit, as part of that, in addition to providing the funding, certainly a key element to this is a loan-for-tools program that will enable apprentices practising now to offset costs. Again, I want to emphasize the comprehensive nature of it. I think it's positive news. There are a lot of exciting experiences taking place in the secondary school setting, and this additional funding through the OYAP will allow us to broaden that positive experience.

**Mr Terence H. Young (Halton Centre):** I visited my son's school the other day and he has a new teacher. She's actually new to the public system. She taught in the private system and she taught up in the north at a school, teaching Eskimo students. She's brought in new ideas. She's an excellent teacher and they're very glad to have her at the school.

Can you tell me how the teachers' pension plan has allowed the system to accept new teachers, how the changes to the pension plan are benefiting the system to bring in new teachers?

**Mr Smith:** I think that's an important question in terms of looking at the picture of the entire labour force with teachers in the province and one that this government has pursued in terms of a rejuvenation plan of sorts with teaching professionals, one that has involved some very dedicated work on behalf of the ministry and on behalf of those individuals representing teachers. From my perspec-

tive, the objective is to recognize not only the long-serving status that teachers have brought to this province and the contributions they've made but also the opportunity to create situations where the young teachers of this province, both new and those in the earlier part of their grid, will have the opportunity to stay in their profession of choice.

What we've seen is an agreement that's certainly fair and balanced, from the perspective of both the teachers and taxpayers alike. I think it's in that context that we are pleased to see and certainly pleased to have the opportunity to find some conclusion to this issue.

I might add that the teachers' pension board has received some 9,500 notices of retirement this year and expects the number may exceed 10,000. It's in that context that we will continue to see not only a recognition of long-term service, as I indicated, but new opportunities for young teachers to pursue their careers in education.

**Mr Young:** The minister recently attended a sod-turning in my riding of Halton Centre in north Oakville for a new Catholic elementary school, which is great news. Everybody's thrilled to see it. I know the Halton Catholic board practises very good stewardship with their properties and that there will be more new schools. Can you tell us how the funding formula and the recently announced grants for new pupil places address the need for new schools and will allow us to build new schools?

**Mr Smith:** I think all committee members are aware of the general context which has been established, both through the new funding formula and through the pupil accommodation grant. Very clearly, as part of that process we've established a formula that not only recognizes the need to address new schools and growth areas within this province but also the need to provide sufficient funds with respect to facilities renewal. At the outset, the some \$180-million investment that the minister has announced with respect to capital is an important first step in terms of ensuring that we have safe and adequate learning environments for all students in this province. In terms of some of the specifics, I'm going to ask Ms Naylor to provide you with some input on the pupil accommodation grant.

**Ms Nancy Naylor:** I'm Nancy Naylor. I'm director of the education finance branch. With respect to the new funding for the new pupil places that the minister announced a couple of weeks ago, that funding is based on a school-by-school review of existing capacity that is owned and operated by school boards. A ministry and school board committee reviewed an inventory of pupil accommodation that was submitted by boards and established a capacity rating for each school. That capacity rating was based on very reasonable criteria, which excluded space such as gyms, lunchrooms, cafeterias, hallways, offices, any room considered too small to be reasonably used as a learning environment, so the actual classroom capacity which was established school by school should be viewed as quite a reasonable estimate of the capacity of those schools.

For any board whose enrolment suggested that they need space beyond the existing capacity, grants are deter-



mined on a formulaic basis. Those grants are sufficient to support school construction that would close the gap between the board's enrolment and its existing capacity.

**Mr Young:** For instance, the Halton Catholic board have practised good stewardship and they have a proven need for new schools based on the square footage of class space, so there are automatically monies flowing for new schools. On the other hand, in the Halton public board they have 6,773 empty classroom spaces. They have to divest themselves of that space before they get money for new schools, or they have to divest themselves of a majority of that empty space, which by the way, includes four schools sitting in mothballs. Is that correct?

**Ms Naylor:** A board which had excess capacity relative to its enrolment — that board that you cite may be an example of that — would not receive funding for new school capital under this formulaic approach, that's correct.

**Mr John L. Parker (York East):** I asked a question yesterday about secondary school reform and the deputy was very helpful in providing the answer. I wanted to follow up on some of the issues that flowed from that answer. We discussed some of the initiatives that are underway, and what I wanted to zero in on in particular was, as the secondary curriculum develops more rigour — and I think we touched on science and technology as areas where we wanted to see better performance — I've heard concerns that maybe there will be some casualties in other areas and maybe some other areas would be sacrificed in order to increase the focus on science and mathematics and so on. I want to hear your response to that concern, which I have heard from a number of sources.

1550

**Ms Veronica Lacey:** Thank you for the question. I'm going to start in and then I'm going to ask Aryeh Gitterman, who is in charge of secondary school reforms, to continue.

We share very much that concern. When we talk about success for students, we're talking about success for every student, not simply those who are directed to scholarship programs at universities or colleges. One of the ways we are honouring young people's very valid ambitions to be successful in life is to have high expectations for their academic performance. One of the ways that the school boards and the school system will honour the ambitions of parents for their sons and daughters is to ensure that there are very clearly stated performance objectives for all our students.

There are many students who go on to college and to university, approximately 35% to 40%, but we also have students who go directly to the labour market. Those youngsters are of extreme concern to us, because too often they're experiencing failure. So it is important for us to have rigour, as you say, not only in science and in technology and in other subjects as well — physics, chemistry — but it's also very important that all our young people perform at the highest level in terms of international standards in basic literacy to ensure that we not only make high demands of our young people in terms of academic

performance but that we also give them the support they need and deserve.

We are providing, through our funding mechanisms, through our teacher training, through our curriculum development, modified programs for those youngsters. So we're modifying programs without sacrificing our expectations for high performance for all our kids.

**Mr Aryeh Gitterman:** Aryeh Gitterman, executive coordinator, secondary school projects.

If I could just add that it's not a question of sacrificing one's subject area for another, for example; it's more a question of ensuring that the expectations in the curriculum across all subject areas meet the needs that we determine high school graduates should fulfill.

For example, although you're correct in saying the expectations in science, for example, are increasing and more rigour is being introduced, that approach is being applied across all subject areas, not at the expense of one. Students will still be expected to complete 30 credits for their diploma. That has not diminished. They will be expected to complete 18 compulsory credits. That's in fact an increase. But we've managed to do this in a fashion that still requires them to have a breadth of experience across subject areas, in the arts, second languages, business studies etc.

**The Chair (Mr Gerard Kennedy):** Your time has expired. We'll continue with the opposition party.

**Mr John C. Cleary (Cornwall):** To the parliamentary assistant: We've heard a lot about new textbooks in the school system. Is that a commitment from your ministry for stable funding for the textbooks or is it a one-shot deal?

**Mr Smith:** As you know, we've indicated a \$100-million commitment to investment in classroom materials, and that included the purchase of some 3.2 million textbooks for elementary students in this province. As part of that process, obviously that is contained within the funding formula and provides a supplement to it with respect to purchasing support materials for the elementary curriculum. That equates to a commitment of some \$150 per student at present. We currently see that program being administered now with the delivery of textbooks to classrooms, and they're moving into the second and third phases of that investment.

At the outset, I can commit that the \$100 million has been made available for this initial initiative. It's one that I think is much overdue and certainly needed in terms of having support materials for a new curriculum and, as well, materials in the form of equipment that students will be able to utilize as part of their learning experience.

**Mr Cleary:** The other thing that the teachers keep asking me is what your ministry has done with approximately \$1.5 million of the teachers' pension fund. The second part of that is, they want to know if that will be reinvested back into education.

**Mr Smith:** What I can commit to you today is what has been committed by the Minister of Education and Training to this point in time, and that is to provide a three-year stable funding environment for education in this

province where we'll see some \$583 million invested into the classroom portion of the education system. I think that's a very significant commitment in terms of the government's attempt to provide stability from a financial perspective as we move through a very difficult and challenging transition period.

With respect to the issues of the teachers' pension plan, I'll defer to ministry staff for a moment.

**Mr Cleary:** Just to correct the record, I meant half a billion dollars.

**The Chair:** For the purpose of Hansard, could you please identify yourself?

**Mr Ross Peebles:** Minister of corporate management services. The question was in respect to the savings from the teachers' pension plan?

**Mr Cleary:** Yes, the half a billion dollars that was taken out of the plan. They want to know if you'll reinvest that back into education.

**Mr Peebles:** The minister dealt with that question. I think it was put to him by Mrs McLeod on the first day of estimates. There have been no savings to this moment. There's a commitment that the parties have made — the teachers' federation and the government — to use surpluses that have accumulated since 1992 to enhance benefits. That benefit enhancement package was part of the agreement that was recently signed. The government has committed itself to continue making payments until the unfunded liability has been entirely cleared. That hasn't happened, and the minister explained that until the actuarial report indicates that there is no more unfunded liability, it would be premature to discuss how any savings that the government might at some point in the future realize should be handled.

**Mr Cleary:** Another question I keep being asked is that they want to know if your government's intention is to cut money from education and force the boards to staff seven out of eight schools. They want to know your comments on that; in other words, closing schools.

**Mr Smith:** There are a couple of items wrapped into that. Very clearly our expectation is to ensure that school boards in this province are adequately funded to meet the expectations of their communities and their schools, and those that are working within that framework. Obviously the Ministry of Education and Training believes strongly that that adequate level of funding has been provided with respect to the needs that teachers and others may have and, as well, that it certainly has provided reasonable benchmarks in terms of the operations of schools.

1600

With respect to the issue of school closure, I think it's important to remain mindful of the fact that school closure or renewal is not a new issue or an issue that's simply one that this government's dealing with, but one that's a difficult community issue that previous governments, including yours and that of the NDP, have had to deal with over the past 10 years. Very clearly, as we continue to see changes in community demographics and demands in various communities, there are going to be some difficult

decisions with respect to the future of those particular schools.

On the other hand, as I indicated, we're providing what I believe is a very significant financial commitment to ensure that all our students in this province have safe and quality learning environments as part of their schooling experience.

**Mr Cleary:** I just want to thank you for the answer. I know there are different views on that. I'll pass it on to my colleague.

**Mr Gerry Phillips (Scarborough-Agincourt):** I'm very keen on the financial side of it. The auditor required the government to recreate the restructuring funds and told you that \$1 billion of restructuring money that you wrote off last year against education was not permissible. Therefore, you're going to have to expense it this fiscal year or next fiscal year or the following fiscal year. How do you plan to re-expense that \$1 billion?

**Mr Smith:** I'll defer to Ms Naylor.

**Ms Naylor:** I believe you're referring to an amount in respect of capital debt service commitments incurred by school boards which are incorporated into the new funding model. I think what's important to confirm is that the funding projections that have been released as the ministry's estimates of what boards will receive under the new funding model are expressed on a cash basis over the next three years; and on a school-year basis as well, not necessarily a provincial fiscal-year basis.

Those projections did include all the revenue that school boards would require to meet their capital debt service commitments. In a sense, that reflects the fact that the amendments to the Education Act that were introduced by the government do require that all debt service commitments assumed by new boards from old boards are met, that lenders' requirements are met, and on time. So there are quite strong statutory commitments to individuals and institutions who have lent money to school boards for those capital debt service commitments, and the funding model provides school boards with the resources to meet those.

**Mr Phillips:** I was pleased the auditor caught it, because in my opinion the books were being badly cooked.

The second thing is, the number the minister uses in his speeches about spending on elementary and secondary schools for 1998-99, which he used on the weekend, I think is \$15 billion. Can you give us the breakdown of that \$15 billion, where that come from?

**Ms Naylor:** I think what the minister is referring to is that initially when he announced the funding model, he made a number of statements that gave the projections about total education spending. Specifically what he said was that funding to the classroom would increase by \$583 million, that funding for education would remain stable at over \$13 billion in each of the next three years, and that funding in 1998-99, including the teachers' pension fund, would total \$14.4 billion.

Since that time, the government has announced a number of enhancements to the grants in the funding model and these grant enhancements increased the total



funding available to school boards. In addition, the \$14.4 billion did not include a couple of other major commitments. One is the \$385 million in restructuring funding available to school boards; it did not include the \$100 million commitment for elementary textbooks subsequently announced in the Ontario budget; and it did not include some of the funding still being provided to boards in respect of capital projects announced under the previous funding model. None of those were included in the original \$14.4 billion and when those are added in they bring the spending on education to a total of over \$15 billion in 1998-99.

**Mr Phillips:** The latest document I have on the spending is the funding model. Could you update that funding model for us, the numbers? That's how you get to the \$15 billion. I guess we can ask for that, can we?

**The Chair:** Yes. Can we have that copied?

**Ms Naylor:** We can take that request under advisement and check with the ministry.

**Mr Phillips:** I asked at a briefing on the school capital several weeks ago for the debt plan and I was told it would be forwarded to us. I have not yet received that.

**The Chair:** Mr Smith, are you able to answer that?

**Mr Smith:** We can provide that information. As well, as the Chairman knows, we've provided information today on other questions that the committee had left with the minister previously.

**The Chair:** Okay. Mr Phillips, we will follow up to make sure that is provided to all members.

**Mr Phillips:** The reason I'm sensitive is because I was told I would get something on the school capital. I tell you, on the school capital one, I am concerned. This is strong language, but I think it's flim-flam financing. Actually there's a pretty good editorial in the Ottawa Citizen saying that.

What we are going to do is continue to spend money on capital year after year and we're only going to expense 1/25 of that capital money. I call it the perpetual debt-creating machine here. That's my judgement. Those are the numbers that I've got. The debt just keeps growing and growing and growing. Now it's all hidden on the school boards' books, out of sight, but the debt, according to my calculations — and if you've got different ones I'd welcome them — the brand-new debt on the school boards' books would be \$1.7 billion. In 10 years it would be \$2.6 billion, because we are only going to provide enough funds to the school boards to pay off 1/25 of their capital cost each year, and the school boards, according to the numbers you gave us, will be incurring capital at the rate of roughly \$300 million a year.

If I'm wrong, I'd like to see the numbers on that, and if I'm right — we now have two sets of books here. The auditor, in my opinion, caught the education ministry and said: "You can't expense \$1 billion of expenditures. You're going to have to re-jig that." But the school capital one is just hiding the debt, off the province's books, on the school boards' books, and the debt never, ever gets smaller. If you've got different numbers that prove me wrong, I'd love to see them.

**Mr Smith:** As I indicated, we'll certainly endeavour to provide that information to Mr Phillips, as we have with questions previously posed to the minister.

**Mr Phillips:** Good. I was promised that several weeks ago.

The 1998-99 budget records teachers' pension expenses of \$61 million. When you figure out the deficit for the province, when you add up the revenue and the expenses, we show in the budget \$61 million of expenses for the teachers' pension. That's how we got to the provincial deficit. You've told us today that we're actually laying out, spending cash of \$1.132 billion. So we show in the public document \$61 million and in the private — well, I guess estimates aren't private documents, but in the other set of books we show an expense of \$1.132 billion. Which is the right number?

**Mr Peebles:** I think the numbers are both correct. The difference is the accounting on a PSAAB basis or a cash basis. The \$1.2 billion, roughly, that you're referring to is a cash number reflecting the government's obligations under the regulations to the unfunded liability. That, in rough terms, is somewhere around half a billion dollars. Added to the current service contributions that are, in rough numbers, \$700,000 on a PSAAB basis, on an accrual basis, you come to a different result, because many of the obligations have already been accounted for in previous years.

**Mr Phillips:** What's the public to think if the document that you prepare shows \$61 million but behind the scenes we are actually spending cash of \$1.132 billion? Why would we have two sets of books here?

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**Mr Peebles:** In the long term, the government's plan is to move to PSAAB. I know you're an accountant; I'm not, and therefore I don't feel this is something I'm particularly well versed in, but the explanation is that the government has undertaken, as have all governments in Canada, to move their accounting to an accrual basis. We're in the process of doing that. The government's estimates continue to be expressed on a cash basis. I think there's a crosswalk between the previous system of cash accounting and the new model of accrual accounting.

**Mr Phillips:** I was just in the House the other day when one of the government members got up and said that when they came into power there were two sets of books and now there's one set of books. You're telling me we still have two sets of books.

**Mr Peebles:** There's one set of books, but of course there's a difference between cash accounting and accrual accounting. Depending on which form the single set of numbers is reflected in, it gives you a different answer.

**Mr Phillips:** Just to set the record straight, I'm not an accountant.

**Mr Peebles:** Oh, my apologies.

**Mr Phillips:** I wouldn't mind being one, but I just don't want anybody thinking I'm passing myself off as an accountant.

**Mr Young:** He could teach most accountants a thing or two.



**Mr Phillips:** The concern I have is that I don't know what the numbers are any longer because we have these different sets of books.

I'll ask another question on the revenue side. You've told us that school boards should expect \$478 million of other revenue — not property tax revenue; other revenue — almost \$500 million, not just for 1998-99 but for 1999-2000 and 2000-01. Where is your expectation that the school boards will get roughly \$500 million of other revenue?

**Ms Naylor:** Those figures relate to funding or revenue sources that the school boards have that come from sources other than three, which are replaced by the new funding model. The new funding model allocates education property taxes raised locally, provincial grants provided by the province, and a former source of considerable financial transfers in between school boards. Previously, school boards had quite a complex inter-board set of transfers to track students who were officially students of their board and whose parents or families directed their property taxes to that board but who chose to attend another board. That was a fairly complex set of transfers that is now no longer required by the new funding model, which will greatly simplify the accounting within the system. Typically, a school board will only receive funding under the formulas of the new funding model from the provincial grants and the education property taxes.

In addition to those, school boards also have at their disposal a number of other revenue sources. Cumulatively these total almost half a billion dollars, so clearly it's a material amount of money that we ask school boards to account for and report publicly.

With respect to some of those revenues, they take on program delivery obligations. For example, they may choose to become a provider of training programs funded by the federal government or training programs that they provide under contract, for example. Clearly there are expenditures associated with that revenue. In other matters, these are revenue sources that the board is free to use to supplement its other revenues, perhaps on its elementary and secondary students. Revenues such as that would include revenues from the sale or lease of schools, insurance proceeds or other revenues from other ventures that the board may have, for example, property holdings or other types of small businesses. Those revenues, in a sense, must be accounted for appropriately, so our estimate forms and the forms of financial reporting that we require from boards ask boards to specify both the sources of revenue and the uses of those revenues in their expenditures and, in a sense, to net off the use of these revenues in expenditure categories to establish a clear and consistent basis for valuing expenditures by school boards in individual categories.

**Mr Phillips:** Based on what you've sent me, I can't find \$478 million. I've looked at the numbers and — again, Mr Chair, maybe we could ask for a breakdown of where that \$478 million will come from.

**The Chair:** Is that agreed?

**Mr Smith:** Certainly, Mr Chair, we'll provide that.

**The Chair:** Thank you, Mr Smith. One more minute, Mr Phillips.

**Mr Phillips:** A big part of the revenue of school boards comes from property taxes, set now by the province. That is the fourth-biggest revenue source of the province. Businesses are still paying 55% to 60% of the property taxes that are going to education. Is it the expectation that you will begin to get less revenue from that source over the next few years? Is the plan of the government to reduce the taxes that it levies on small business?

**Ms Naylor:** Yes. In the Ontario budget, Minister Eves did announce that there was an intention to address the tax load of small businesses and businesses with above-average education property tax.

**Mr Phillips:** That's for Toronto and Hamilton, isn't it?

**Ms Naylor:** I'm not sure it was location specific, but he did announce that there would be \$80 million added to the provincial grants for education that would go to school boards to replace some of the higher tax rates so that tax rates could be lowered on small businesses and eventually move towards a provincial average.

On the residential side, you are aware that the province has reduced the overall reliance on property tax for the funding of education by approximately half, from approximately \$5 billion to \$2.5 billion. So the overall reliance on property tax as a source of funding for education has been significantly decreased.

**Mr Phillips:** I was focused mainly on small business, because I'm getting a lot of flak on that.

**The Chair:** We will now proceed to the third party.

**Mr Blain K. Morin (Nickel Belt):** I'd like to focus my attention a little bit around post-secondary education, colleges and universities. As you are probably aware, there has been a lot of talk among students regarding university tuitions increasing by 20% since this government has come into place, as well as college tuitions climbing by 15% on average provincially. Are those accurate figures? Would you refute those figures or would you agree that tuition fees have increased?

**Mr Smith:** What I can indicate to you, and I will be deferring to the assistant deputy minister as well, is that this year we will be spending some \$3.3 billion on post-secondary education. We have some additional \$134 million being spent on OSAP and an additional \$150 million over three years for high-demand programs in those institutions that have experienced that. Certainly my understanding at the post-secondary level is that we have approximately 90% of all students facing a 10% or smaller increase in their tuition fees in this province. As part of that process, not only did I indicate the supports we've provided through OSAP, but the government has provided some \$600 million in the form of permanent trust funds for post-secondary school students.

Not only as we deal with the tuition issue, certainly the government has undertaken a number of steps at the post-secondary level to ensure — and I think this is the most important issue — that not only do students have appropriate financial supports available to them but that their

opportunity to access their institution of choice is not being compromised.

**Mr Trick:** would you like to add to that?

**Mr David Trick:** My name is David Trick. I'm the assistant deputy minister for post-secondary education. In terms of the current year, the average tuition fee for university students is increasing by 9.7% and for college programs 9.8%. A little over 90% of students will be paying fee increases of 10% or less.

**Mr Blain Morin:** An interesting remark as well under the same topic of post-secondary education is that the Council of Ontario Universities says that Ontario ranks last in Canada on per capita funding for universities. Do you dispute that? Do you agree with that? I'd like to hear your comment on it.

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**Mr Trick:** The Council of Ontario Universities has published figures on this for most of the past 20 years. The methodology is something that we have worked with them on a fair bit because sometimes the comparisons from one university system to another across the country aren't easy to make, particularly where you have college transfer students and so on. If you look at the total operating income per university student, our best estimate is that Ontario ranks fourth among the 10 provinces. That would be the broadest measure of operating revenues that are available for education.

**Mr Blain Morin:** So you would refute that by saying we're not the last, we're somewhere in the middle, we're around fourth in Canada.

**Mr Trick:** If you include total operating income, of which government revenues would be a part, but other revenue sources would also be a part.

**Mr Blain Morin:** Would it be fair to say that we're fourth as far as a national average as a goal for post-secondary education? Would we be ranked in the same area as far as our funding principles compared to other provinces?

**Mr Trick:** Again, it would depend on whether you look strictly at the government operating grant or at the total operating income per student that's available at the universities. Being fourth, we would already be above the national average in that regard.

**Mr Blain Morin:** You do agree, though, that the Council of Ontario Universities refutes that. They don't necessarily agree with the position being put forth.

**Mr Trick:** The number they are looking at there looks at only one source of revenue, which is the government operating grant.

**Mr Blain Morin:** I noticed the facts and figures in the booklet handed out by the Council of Ontario Universities. They've indicated a very interesting statistic. They talk about private donations to post-secondary facilities. Could you describe how this government has increased that, or what you have done to try to enhance those donations to post-secondary schools?

**Mr Trick:** Universities have always had the right and have always been active in terms of their own fundraising. There is one initiative in particular that this government

has undertaken which has caused quite an upswing in fundraising at universities, which was the Ontario student opportunity trust fund program, where effectively the government announced in May 1996 that for every dollar contributed to universities or colleges for student aid at the college, the government would put in a matching dollar. That was a time-limited program, and during the time it was available universities and colleges raised a total of about \$300 million, which the government matched, so that is establishing \$600 million in permanent trust funds for student aid. That would be probably the largest single thing the government has done to increase donations to the universities and colleges.

**Mr Blain Morin:** Those donations were from private sources, private companies, though, through scholarship funds.

**Mr Trick:** It could be companies, it could be individuals. It could be a range of sources.

**Mr Blain Morin:** Would you describe that as stable funding?

**Mr Trick:** The fundraising for that purpose was time-limited, and in that sense it was concentrated during a period of time. The trust funds, of course, are permanent, which means that there would be a permanent revenue source that derives from them.

**Mr Blain Morin:** But there is a fluctuation there. There are no hard and fast facts there. These donations are not there forever; that's what I'm getting at. Is the ministry going to be very aggressive in trying to fund universities and colleges by continuing to go out into the private sector and being perhaps a little more aggressive in finding the funding in the private sector?

**Mr Trick:** I would have to look at the year-to-year data in order to answer your question specifically. In general, I certainly agree that all universities are trying to be active in the fundraising field and what they receive from one year to another may vary.

**The Chair:** One more minute, Mr Morin, in the time we have for estimates.

**Mr Blain Morin:** I have another question about fees and tuition, again going back to the Council of Ontario Universities. They have indicated that the funding for fees and tuition, where the colleges and universities get the money — in 1993, for example, they're saying \$631 million was made available through tuition fees. I look back to 1996-97 and we're looking at \$847 million coming from the source of tuition fees. Has post-secondary enrolment gone up that much or is that increase due to rising tuition fees? It may be both, right? Has tuition gone up in post-secondary education that much?

**Mr Trick:** Over the past several years the enrolments in post-secondary education have been increasing very slightly. Most of the increase you're talking about there would be due to the change in tuition fees per student.

**Mr Blain Morin:** But enrolment hasn't gone up that much?

**Mr Trick:** Enrolment has been a very small increase, because the population source for that age group is fairly constant as well.



**The Chair:** Thank you, Mr Trick. This concludes the time we have for estimates. I'd like to thank the parliamentary assistant and the ministerial staff who have attended these discussions.

I would now advise the committee that we're in a position to vote on the estimates. I would ask your pleasure in terms of whether the vote is combined — we have a total of four votes — or conducted one at a time. Is it the pleasure of the committee to combine?

**Mr Young:** What are the four votes, Chair?

**The Chair:** They are, by vote number, 1001 through 1004. Combine or individually?

**Mr Young:** Combine the votes.

**The Chair:** The other caucus, combined votes? OK. Shall votes 1001, 1002, 1003 and 1004 carry?

All those in favour, please say "aye."

All those opposed, please say "nay."

In my opinion, the ayes have it.

Shall the estimates of the Ministry of Education and Training carry? All those in favour? Opposed? The ayes have it.

Shall I report the estimates of the Ministry of Education and Training to the House? I shall.

That concludes the time we have for the Ministry of Education and Training. We now call upon the Office of the Premier.

A five-minute recess has been requested by the assistant to the Premier, so we will reconvene in five minutes at 24 minutes to.

*The committee recessed from 1628 to 1640.*

#### OFFICE OF THE PREMIER

**The Chair:** We'll give the parliamentary assistant a minute to get settled and then we will commence. I'd like to welcome Ms Mushinski. Perhaps you might wish to introduce any of the staff you have with you from the Premier's office for the purposes of Hansard, and each time they answer questions, it would be helpful if they would identify themselves for that same purpose. As you undoubtedly are aware, we'll begin with half an hour of presentation, which will be followed by half-hour responses from each of the opposition parties and half an hour for you to respond in any way you see fit. That will actually take up more than the time we have today, and we'll go to the full question times next session. I'd like to invite you to begin.

**Ms Marilyn Mushinski (Scarborough-Ellesmere):** Mr Chairman, before I start, I have to extend my regrets that I have to leave at quarter to 6 this evening. I am scheduled to represent the Premier at the Lieutenant Governor's reception, which is honouring volunteers and supporters on the occasion of the 50th anniversary of the Toronto Association for Community Living. It is at 6 o'clock. The difficulty is that my understanding is that protocol dictates that because I'm a part of the official receiving line, I must be there at 10 to 6 on the dot. I actually just discovered this today, so I do apologize, but I

will have to leave in order to be at the Lieutenant Governor's suite at 10 to 6.

**Mr John Gerretsen (Kingston and The Islands):** That's right next door, isn't it?

**Ms Mushinski:** It's right next door, yes.

**The Chair:** On behalf of the committee, we will have to accept that. I just want to say that we are using up estimates time to examine other ministries, and while regrettable, we'll certainly accept that and again invite you to proceed with your presentation today.

**Ms Mushinski:** I am pleased to come before you today as parliamentary assistant to the Premier to present the 1998-99 estimates for the Office of the Premier. With me is Mr David Guscott, deputy minister of communications in Cabinet Office.

On an opening note, you will see from the material that has been provided to your committee that the Premier's office continues to work within the confines of a virtually flat-lined budget.

I will outline the details relating to our 1998-99 office budget, but before I do that, I want to offer some context for these estimates. Specifically, I want to begin by briefing the committee on how the government, including the Premier's office, is addressing the issues of importance to Ontarians.

Our party came to office three and a half years ago with a mandate to balance Ontario's budget within five years, to cut taxes in order to create jobs, restore hope and opportunity to the welfare system and to reinvest in the health care system. This agenda wasn't just pulled out of thin air. It was developed by our leader, Mike Harris, through detailed consultations, which were held with ordinary Ontarians from communities across the province. The ideas we heard and shared with Ontarians were pulled together into our blueprint for change, and of course we all know that was the Common Sense Revolution, and it was distributed to every Ontarian over a year before the 1995 election.

Ontarians told us that they wanted the province's finances brought under control. They wanted an end to the hopeless cycle of skyrocketing deficits and ballooning debt. They wanted unfair and discriminatory job quotas scrapped. They looked to us to replace the revolving-door welfare trap with a program of mandatory work for welfare to give hope and opportunity to those most in need. So, that's exactly what we set out to do.

Premier Harris began the process after our election by appointing the smallest executive council in 30 years. We immediately undertook a thorough review of every area of government spending and put in place a program to meet our goal of balancing the budget by the year 2000-01. We scrapped the unfair job quota law and cut welfare benefits by over 20%. We created our mandatory workfare program, and we began to cut red tape. We cut income taxes by 30%, putting money back into the pockets of hard-working Ontarians, stimulating a period of economic growth like never before seen in this province. Over 366,000 net new private sector jobs have been created



since September 1995, and Ontario now leads the nation in economic growth.

And we did much, much more. The past three years saw our government implement the most ambitious and positive agenda for change ever seen in this province; they saw our government make the tough decisions previous governments shied away from. With most of these tough decisions behind us, our April 23rd speech from the throne focused on our ongoing dialogue with Ontarians, a dialogue on how to build an even brighter future for our children and loved ones. As the Lieutenant Governor indicated:

"For almost three years Ontarians have shouldered the burden of moving this province back on track. We can take pride in the result. Our sacrifices, our contributions, our determination to build a better future for our children and grandchildren, are paying off."

One of the people's most important contributions has been their continued advice and counsel about how to build a brighter future for Ontarians. This government believes in the people of Ontario. We trust in their judgment and understanding, and while we are unconditionally committed to reaching our goal of a better Ontario for all, we continue to be very open about discussing how to get there. It makes for more accountable, more accessible and more responsive government.

Many people have already joined in the dialogue about Ontario's future. From participants at open forums and town hall meetings, to public servants offering suggestions on service improvements, to countless callers and letter writers, thousands of Ontarians have offered welcome input that will continue to be reflected in the government's plan.

How does this affect the Premier's office? Like the rest of government, the Premier's office is committed to assisting the Premier in nurturing, maintaining and improving this dialogue with Ontarians. The greatest benefit of participating in any dialogue comes from hearing what others have to say. Over the past three years, Ontarians have identified several priority issues that are of importance to us all. Ontarians have told us they want all who need jobs to have jobs — fulfilling, secure, quality jobs — on which to build hope for the future. They want the tax burden on hard-working Ontario families and on small businesses reduced to an even greater extent. They want excellence in education that will help all our children reach their full potential. They want us to continue our work to put in place quality educational standards.

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They want our world-class emergency services, long-term care and hospital system sustained and strengthened. They want their government to continue to take steps to better meet the needs of our changing and aging population.

They want better opportunities and new skills for people on welfare through further welfare reforms and a continued crackdown on welfare fraud and abuse. They want safer streets and safer communities.

These are all key matters on the minds of Ontario's citizens, and the government is responding in a variety of ways to these concerns and expectations. For example, we are creating the pro-growth climate to foster jobs and economic stimulus. We've announced 66 tax cuts in our first three budgets, and the final phase of the 30% tax cut was delivered on July 1 of this year, one full half-year ahead of schedule. This means more take-home pay for hard-working Ontarians, which in turn helps boost our economy and create more jobs.

Ontarians have asked us to focus on helping children reach their full potential. We're doing that by introducing new quality educational standards like a new, rigorous back-to-basics curriculum, standardized testing and clear, understandable report cards. These and other educational quality initiatives are helping to prepare our children for the future.

Ontarians want welfare programs to live up to their original purpose, as temporary financial help while people are trying to get back to work. Our work-for-welfare reforms are making welfare a stepping stone to employment. So far, more than 420,000 people have escaped the cycle of dependency and gained a new-found sense of opportunity and hope by participating in our Ontario Works mandatory activities.

Ontarians have also told the government they want our world-class health care system strengthened to continue to deliver accessible, high-quality health services. We have responded with the largest single expansion of long-term care in Ontario's history. We are providing better access to services for women and expanding priority programs, such as heart health and cancer treatments, in both hospitals and the community.

People are also concerned about keeping their communities safe. Our government's approach to public safety teaches young offenders respect and accountability and targets our resources directly to the front lines, where they're needed, like our initiative to put 1,000 new police officers on the street to help protect Ontario's law-abiding citizens and families.

As I said at the beginning, the sum of the government's responses to the public's concerns and needs is our plan for Ontario. Given what we've seen and heard, our plan is working. From the perspective of your committee, Mr Chairman, it is important to note that across the government and in the Premier's office we are achieving our goals while holding the line on expenditures.

The Premier's office is obviously a part of the government and a principal support to the Premier in coordinating the government's actions. But the Premier's office is also an example of the government's directive to work hard, be accountable to taxpayers and live within our means while providing services to Ontarians.

Before I get into details about the Premier's office estimates, I think it's important that I comment on the purpose and organization of the Premier's office. The Premier's office supports the Premier in his role as the head of the executive council and as the leader of the government of Ontario. The office coordinates the

government's policy development and legislative agenda, as well as the government's communications activities. It also supports and advises the Premier on issues facing cabinet and the government.

The Office of the Premier is responsible for the following pieces of legislation: the Executive Council Act, the Lieutenant Governor Act, the Policy and Priorities Board of Cabinet Act and the Representation Act.

The Premier's office assists the Premier in carrying out his daily business. The office is comprised of the following departments: tour and issues management, outreach, policy, communications and strategic planning.

The Premier's office works closely with the Cabinet Office, ensuring that consistent political and policy advice flows from the centre of government to ministers and ministries. Cabinet Office is, of course, a separate ministry. In fact, the review of Cabinet Office's estimates is scheduled for later in the year, so I will be deferring all questions pertaining to their estimates until then.

I can say, however, on an operational level, that Cabinet Office provides support to the Premier in a number of ways. Cabinet Office assists the Premier with his correspondence, provides bureaucratic advice on policy matters and ensures that issues are monitored and brought to the attention of the Premier's staff, deputy ministers and other senior public service executives.

With respect to the Premier's office estimates, Mr Chairman, you and the members of the committee will find that the Premier's office budget has remained virtually flat since our election. In fact, while it is not part of your committee's mandate to review last year's budget performance, I think members should know that the Premier's office underspent its estimated 1997-98 budget by \$157,000. Last year's financial prudence is a good example of the three-year trend of flat Premier's office's budgets.

Your committee will note a variance of \$132,500 in the 1998-99 Premier's office estimates. Before committee members become unduly concerned, I should note that the Premier's office is treated like all other ministries, as it should be. Hence, the Premier's office is affected by the government-wide Management Board accountability policies and efficiency measures. There are three adjustments that have contributed to the change in the Premier's office estimates since last year. Each was made in an effort to more accurately and honestly present government spending to the taxpaying public.

Specifically, the Premier's office 1998-99 estimates include a transfer of an unfunded pension liability payment to Management Board Secretariat. This was in response to the centralization of the unfunded pension liability payment in Management Board and the according elimination of the chargeback to ministries that takes effect in the coming fiscal year. This transfer of the unfunded pension liability resulted in a \$37,800 reduction in the Premier's office budget.

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As well, your committee will be aware that in an effort to ensure that accommodation spending is accounted for in

an open and honest manner, the cost of maintaining office accommodation has been transferred to individual ministries from the Ontario Realty Corp. It is now government policy that ministries must pay for their own accommodation.

This accountability measure was introduced by our government as part of an overall effort to ensure that the accounting systems used by the province more accurately and honestly display government spending. Under previous governments, the cost of accommodation was paid by Management Board and was to a certain extent hidden from the view of the public. This open accounting system, implemented for the Office of the Premier effective April 1998, brings the public sector accounting more in line with the private sector, something that we think is a good thing.

This resulted in an increase to the Premier's office budget of \$197,300 and in our view brought about an honest improvement to public sector accounting.

Finally, the Premier's office is participating in the government-wide efficiency measure exercise. This across-the-board initiative is part of the government's commitment to achieve efficiencies in the delivery of ministry programs by reducing operating budgets. The Premier's office's participation in this efficiency measures exercise has resulted in a \$27,000 reduction to its operating budget this year.

The net result of these government-wide accountability measures is, as I said, a \$132,500 variance in the Premier's office 1998-99 budget estimates.

It is important to note that if the same accounting system was used in 1998-99 as was used by previous governments, the Premier's office estimates would have actually declined by 2.3%.

In conclusion, I would like to restate that the Premier's office works to support the Premier in being accountable to the people of Ontario. It assists him in nurturing a dialogue with taxpayers and in responding to the priorities of the people. Above all, the Premier's office meets its obligations to the Premier and the taxpaying public prudently, efficiently and openly through a budget and set of estimates that has been virtually flatlined for three years.

That's my presentation, Mr Chairman.

**The Chair:** You have approximately nine minutes remaining. Are there any other remarks you wish to add to your presentation?

**Ms Mushinski:** No, I think I just about covered everything in my presentation. I hope you can relax a little, given the fact that I have to leave at a quarter to 6.

**The Chair:** We'll now turn to the official opposition. You have 30 minutes for presentation, questions and so on, and then to the third party.

**Mrs Sandra Pupatello (Windsor-Sandwich):** I understand that we are not given sufficient information to appropriately look at the Office of the Premier and their budget. It means absolutely nothing, to not have access to information about the Cabinet Office while we're looking at the Office of the Premier. We know the Premier is



spending more than ever before, has a staff complement that is absolutely incredible and is growing every day, that the Premier's office is as lush and luxurious as we've seen for some time and that the Premier, at the same time as cutting back ministry staff who actually work in the field, did a number of renovations in the Whitney Block, where I happen to have an office. It was so suspicious that in fact they staged a security guard at the door so that when you got off the elevator at the appropriate floor you couldn't go in and see what was going on.

**Mr Young:** Oh, come on. There's always a security guard at the door. Be serious.

**Mrs Papatello:** An elected official in Ontario would never be prevented from knocking on the door of the Premier. End of story. All of a sudden there are these wild renovations going on behind closed doors, none of which we can see, huge bins rolling down the corridors of the Whitney Block with these huge tarps thrown over them, and we're all wondering what's happening. Then we see the fashion trucks pulling up at the Whitney Block, at the side entrances and their maintenance doors, uncovering under cloak and dagger all this furniture that's trucking up to the Premier's office. I mean, if he's so frugal, why the big secret? If he's just running down to Ikea for some wooden furniture, let's have a look at it, but we don't think that's what it is. Instead, if you see the sign on the truck, "The Art Shoppe," we've got a little bit of concern.

**Mr Young:** Are you saying you saw a truck that said "The Art Shoppe"?

**The Chair:** Mr Young, you'll have your opportunity. Order.

**Mrs Papatello:** Why would there be such secrecy around renovations in the Premier's office? This Premier, of all premiers, who boasts about being so frugal, has entertained renovations in his own offices that are absolutely luxurious.

Second, we know that the budgets have all been shifted. So I say to the parliamentary assistant, it does us absolutely no good to talk about how you haven't spent to budget here, you haven't spent to budget there, because we know everything's been moved around to other budgets. We know, and this is just a common occurrence for everything that has happened in other ministries as well. You say you don't cut here — you don't cut, you just move it there and you cut it when it gets there.

We've seen the same in community and social services, that I happen to be the critic of. You've moved whole programs out of that area and over to health so you can say at the end of the day, "Look, we're spending more on health care." You may be spending more in total under a health budget, but it also is now including programs that used to be under community and social services. So in effect that's a cut.

At some point this is going to happen. We've itemized which those were. Of course, we had to get the information through order paper questions. We had to ask specifically which programs have been moved wholly from Comsoc into health, and we got the list. This \$50,000 here and this \$75,000 is no longer under Comsoc; it's under

Ministry of Health. So when the Minister of Health stands up and says, "We're spending more on health care," all that means is she's responsible for different programs in addition to what she was responsible for before.

Going back to some of the comments you made, you actually suggest in the report from the Premier's office that your job has been to strengthen the hospital system and sustain it. Strengthen the hospital system? We now have documented proof across Ontario that over 50% of Ontario hospitals are in deficit. This is absolutely unprecedented. Never before in the history of Ontario have we had this kind of financial crisis, all of which was confirmed by CIBC doing its report for the foundation of the Ontario Hospital Association, which clearly states that only since 1996 have hospitals dealt with this kind of deficit.

Never before have they been so strapped to provide services that CEOs from 24 hospitals, just to support a private member's resolution that's being brought forward by a private member during private members' hour, actually found the courage to speak out and say, "This is untenable," while all the other hospitals said: "We're in terrible shape, but we sure can't be public about it. We talked to our local Tory MPP. I took your resolution down to that Tory MPP" — they're just waiting to see what riding I'm going to mention in this case — "and I told them 'This is exactly what we need,' but those Tories know that we're in big trouble." Did one of those Tory MPPs have the courage to stand up for their communities when they knew their hospitals were in deficit, that they're making choices in hospitals to cut service or run deficits, and most hospitals are doing both?

In the case we raised today, the London Health Sciences Centre, made up now of the children's hospital, University Hospital and Royal Victoria Hospital combined to form one, for the first time has a deficit in the neighbourhood of tens of millions of dollars, all in hushed tones waiting to see — "They said we might be getting an envelope of money to take care of this part" — on all these false promises, so in fact we have charities being requested to fund wages of doctors who are giving treatment to children with cancer. That is what we have today in Ontario. The hospital foundation has funded the wages of a doctor in London for the last year but could not do it any longer, so they turned to ChildCan, another charitable organization whose fund-raising is actually meant to pay for things like transportation of families who have to come from Owen Sound to London or Windsor to London and instead — they're asked to fund the wages of doctors?

1710

**Mr Young:** On a point of order, Chair: I hate to interrupt a good filibuster, but are we not supposed to be talking about the Premier's office?

**The Chair:** That's not a point of order. Mrs Papatello, please continue.

**Mrs Papatello:** We're talking about the report. In fact, this was clearly said, "Hospital system" to be "sustained and strengthened," and I am responding exactly to that



comment. It's completely bogus. It's completely irresponsible to have statements like that made at this committee. That this is coming out of the Office of the Premier is unbelievable to me, just as unbelievable as seeing the Premier himself truck on down to Mount Sinai Hospital with a \$600,000 cheque to a hospital that's \$7 million in debt, while there are seven people waiting in the corridor at the very same time who can't get a bed. Now you've sent out cheques along with a contract that says: "You sign the contract, because if you don't sign the contract you're not getting the money. But if you sign the contract you're subject to it, and if you don't meet the standards set out by what you've signed you will be subject to an audit."

You know what those standards are? They're all the utilization numbers that were set up by the hospital closing commission that are so aggressive, probably the most aggressive in North America, and you are expecting hospitals to meet those standards. But they can't meet them unless this government makes the community reinvestments in mental health, in long-term-care beds.

Today in the House our leader, Dalton McGuinty, said, "You said 1,700 long-term-care beds." Those weren't the long-term-care beds that are going to be there forever; those were the transitional long-term-care beds, whatever that means as a term. I don't know who dreamed that up: transitional long-term-care beds on the interim basis. That's what the 1,700 were. That's just to get over the hump. That's what that was for. None of them have appeared yet, not that you haven't had ample opportunity to have them appear. They're not there.

If the investments are not made in the communities, the hospitals will get no relief, which means they'll never meet their utilization targets, which means they are then in breach of the contract they signed and you now subject them to an internal audit. What kind of a strapped position do you think you can put hospitals in?

I remember the first Minister of Health who said, "We're not here to micromanage the system." I know the health critic remembers these words fondly. We've got the health minister on the phone with every Tom, Dick and Harry hospital in Ontario looking for details — "What's your problem down there?" — because you don't have a system that's being managed well enough.

On the day we had a resolution in this House, on October 1, and the Ontario Hospital Association had actually written a letter of support saying, "These are exactly our issues; we are in deficits the likes of which we have never seen," at the eleventh hour they were being twisted and turned to write a letter of dissent to the letter they had already written. But not one Tory got that letter, and that's because they would not write it, so those backbench Tories had to stand up and say, "Our office talked to that office at 2 o'clock in the afternoon and he denied it." I said, "Put it in writing," but he didn't put it in writing because the facts are the facts. They knew full well, just like the Minister of Health did, that not long after a report was being done by an outside organization

that proves those audit numbers that hospitals across Ontario are in the greatest debt they have ever had.

To sit here to hear the Premier talk about strengthening the hospital system is absolutely galling. Even if you wanted to think in the long term of strengthening the health system, it is completely bogus to think of.

The worst part is that Windsor was your test case. You knew things were not working well, because you needed to invest before you shut down services, and that is still the case today. The only difference is that Windsor's not alone any more. Now I can hold up letters from all kinds of communities right across Ontario, Hamilton included, critical bypasses all the time; Windsor, 230 times just this summer where ambulances could not discharge their patients into the emergency rooms, the only two remaining out of four that we have, because there's no room in emergency to take them in. Half the time you'll have the doctors sitting there twiddling their thumbs because they can't get a patient in because there's no cot to put the patient on, or the ambulance can't leave the emergency room because they can't get the patient off the gurney to put the gurney back in the ambulance to send it on its way to pick up another patient.

If this is too dramatic for you, I've invited all of you, including the Premier, to come down to Windsor and see for yourself that this is no joke. We're talking about 230 people who got stuck in an ambulance, for God's sake, where they're supposed to be going on for help. That they couldn't actually get them into an emergency room is astounding to me. There are so few bays, parking spots, for ambulances to drive into at the Hotel-Dieu Grace site that they stopped the ambulance on Ouellette Avenue and Main Street and rolled the patient on the gurney down the ramp and into the emergency room.

I want to see the Premier lying on a gurney in full view of God and country rolling down the ramp while he reads the speech of how well the Office of the Premier is doing in handling the finances of the Ontario hospital system. That to me is the commercial that you should be playing this coming November when you launch your next \$3-million ad campaign. That's the commercial: Mike Harris strapped to the gurney rolling down the ramp in downtown Windsor in full view of God and country, while he talks about how well he's done strengthening the hospital system.

Does that leave any reaction for any Conservatives? You don't even have to be a partisan person to be in Windsor and feel very strongly about what's happening, because they see this.

**Mr Trevor Pettit (Hamilton Mountain):** Where's Alan Rock on this?

**Mrs Pupatello:** I'll tell you exactly where he is. He's up there watching what you have done to the hospital system.

You've had the gall to talk in this report about lowering taxes for people. You've actually incurred more debt than Ontario's ever seen. Under your watch, this fiscal finance management hasn't done a thing to increase your bond rating. If everything is so wonderful, why are you still at

AA-? You're as bad as Bob Rae. Bob Rae managed to download our bond-rating system, and admittedly during a recession. You went from an exceptional bond rating to what you are today and you haven't moved, and that's after three and a half years of your government.

The first six months you could say you were still on the heels of the Bob Rae government. You could say that after six, seven, eight months. After a little while you say, "Wait a minute, we've got a new gang in charge here." Now we are fully into your term; you have very little of your term left. In the majority of your term you have had the same bond rating in Ontario for its fiscal finance management as Bob Rae of the New Democratic Party, whom you slam-dunked right through the election because you were going to be so much, because you were going to know how to manage the finances.

You borrowed money you didn't have to finance the tax cut and you gave it to people anyway. Then you proceeded to make the biggest botchery of the property system and assessment right across Ontario, which took even you by surprise. When your Conservative friends sit around your banquet tables at your fund-raisers they will tell you square, "I can't remember if I got an income tax cut, but I know exactly how much my property taxes increased and I am not happy about it."

Don't we have a little scramble happening today in the Minister of Finance's office. Now we're going to come out with the seventh, eighth, ninth, maybe the 10th bill to fix the assessment. You've got the gall to tell municipalities like Windsor that they're the bad guy, that they did this. We have a dress shop on Erie Street. The dress shop has a little Singer sewing machine in the backroom, and the little Singer sewing machine usually adjusts the hem, every now and then, when they sell a dress. They now, because of the Mike Harris new assessment system in Ontario, have decided that the dress shop on Erie Street is an industrial class of business. Now not only have they been assessed at a higher level, they've been thrown into a whole new category. How are you going to blame that on my city of Windsor? You guys put the classifications together.

1720

That's not the only example. You've got a whole legion of small businesses out there kicked into all manner of classes because you were going to simplify the system. We heard from the Association of Municipal Clerks and Treasurers and they said, "We told you this was going to happen." They presented you with one, two, three — no, four different ways for you to fix the system. Apparently you have been offered, free of charge, the most well-known company in Ontario that works with assessment systems. They said, "I will do it for you for free." That's a good price. You said no. Eves said, "No, we don't need that." You blew it big time. You blew it after the second, third, fourth, fifth and sixth, and now we're into the seventh bill for property tax reform. This is ludicrous. It's like a bunch of yo-yos: up, down, up, down. These people don't know whether they're coming or going. You have municipalities that haven't sent out the first tax bill yet.

You've got a whole bunch that sent them all out and now you're saying you're going to change it again.

Will you please tell me how the cities are going to cope with that. You go to the guy who got the decrease of \$5,000 on his tax bill and tell him: "No, we've changed our mind. You're going to pay \$4,800 more for another year. Then the next year you're going to pay \$4,600 more. But all the way along we recognize that you have been paying \$5,000 too much." You go tell him, because I can tell you, I've got my list of Conservative MPPs and I'm going to send them to all these people. The writing is on the wall. At some point, they lay out all the information and people will judge for themselves. They think this is crazy.

When we were off in committee in Sudbury in the airport there was a Conservative MPP who answered his cell phone. It was a joy to behold. Some of you will remember because I know you were there. In the airport waiting room was one of the Conservative MPPs with a constituent on the phone, a small business man. It was clear from the MPP's response that he was getting lit into in a big way by one of the small businesses in his riding. He sputtered out all of this information. He would say: "I can't believe the region did this to you. I can't believe the city did this to you. Isn't that terrible." I was amazed at what length you'll go to not assume any responsibility.

You've got the Hamilton MPPs in this very room who, instead of dealing with a problem in hospitals in that area, will say, "It's that CEO. He's bad. We don't know where the money went." Why don't you just accuse him of fraud or of taking money, for God's sake. You'd just as soon have done that already. All of a sudden, this year, he's a bad manager. He seemed pretty good the year before. In some areas they've been fantastic CEOs, but all of a sudden it's their fault. They don't know how to manage the system. Talk about offensive, and this from a senior level of government over municipalities.

Now you decide to go on the attack of municipalities: "Those bad municipalities. How dare they? Don't they know?" You're the ones who downloaded services on them. If you go into Prescott-Russell and ask them how much that new road cost that you just dumped on them, Route 17, we're talking about \$8 million in generally rural municipalities. Would you tell me who's going to pay \$8 million on their property tax bill? Because that's what it's going to cost them to pay for the road.

I don't remember seeing that in the Common Sense Revolution, which is what this report today said. It said: "mandate of the government to implement the Common Sense Revolution." I don't remember it saying: "In Prescott-Russell we're going to give them \$8 million more because now they're responsible for route 17." That was not in the Common Sense Revolution.

It was also not in the Common Sense Revolution that you were going to download things like public health and ambulance services. Do you know the kind of issues we have in rural Ontario today as far as ambulance services are concerned? Now you've decided that city councils and rural councillors and reeves and mayors are going to be



responsible for delivering ambulance services. It is just absolutely bizarre, because I remember the health minister saying that we have to streamline the system, that we've got to make it seamless, that we've got to make the organization better. No, you decide to take a great big chunk of emergency services, namely ambulance, and have it delivered by each local municipality.

Have you ever heard of anything so incredibly stupid? There is no good reason to do this. The worst part is that David Crombie told you that. It's a terrible thing to have to say, "I told you so," but all of those people are saying that today. If you remember, the panel that David Crombie and company organized on social service dumping said that if you downloaded social services what you got was a big bowl of spaghetti. You were trying to clean up the system, and it was a complete mishmash of changes that didn't make any sense. All you were after was finding the dollar, no matter what sense it made.

Then you said it would be revenue-neutral. It was the furthest thing from revenue-neutral that Ontario has ever seen. Mike Harris was really offended when a national newspaper picked up Mel Lastman saying: "He lied. He's a liar." Do you remember how angry Mike Harris was about that? You said revenue-neutral. That means zero, and it wasn't. It was a hugely to the plus cost of municipalities around Ontario. That is what they got left with.

You want that, plus you've changed the assessment system. You've got increases in mill rates, thanks to your downloading. Then you've got changes in assessment, some of which have been updated, which is reasonable. The people, the taxpayers, are fully prepared to pay what is reasonable. They've always said that from the beginning. Reasonable: \$100, \$50, depending on the base they paid the year before.

Dave the barber on Sandwich Street in Olde Sandwich Towne had an increase of 100%. He can only cut so many heads of hair in a day. When you're talking about a fixed cost for small business, that is a cost you will have regardless of your sales. Dave the barber is pretty much euchred. How many heads of hair can you cut? And you can only cut them once, really, so it's not like he's going to increase his number of customers in that year. How do you change a business plan in the same fiscal year to suddenly quadruple your revenue and sales?

Some of you guys were business people before. You know that. Even if you are a lawyer, you essentially are your own business. You only have so many clients who give you so much money. Depending on the business, especially those that are service-oriented, there are only so many hours in the day. You can only bring in so much revenue. It's not the kind of increased cost, like a new piece of machine or equipment, that's going to make increased production by some huge volume that essentially is better sales. It's not that kind of cost. It's a property tax cost that is there regardless of the business they can make in that year. You've euchred them.

This guy is in a building that is 100 years old. When I stood there and looked up at the cracked paint and a

ceiling that hadn't seen a brush for probably the same century, I looked around and kind of smiled and said, "Have you had any improvements lately?" He started to laugh, because it was so funny that Dave the barber — he even has that old-fashioned thing that goes around. I'm telling you, he was shocked.

I asked Frank Mancini, who owns Italia Bakery, to make a calculation: "What kind of sales in buns are you going to have to account for this increase?" Three hundred and fifty thousand panini just to pay for the increase. He said that when he got the bill he laughed. He said: "Look at the mistake they made. This can't be right." He laughed. He's up \$30,000. It is funny. Then the joke was, "How many more Italian weddings?" "Only a couple."

We were just flabbergasted that this guy is looking at \$30,000 or \$40,000 in an increase on the same square footage on the same block. It is just ridiculous. I want you to go to Frank Mancini and tell him whose fault it is that you threw him in a different class. You made 24 more classes, or 104, whatever, a whole litany of new classes for all of these businesses. You were going to make it simpler. It's more difficult and more complicated.

You haven't even sorted out your computer system to figure out these assessments. For God's sake, if you were so determined to do this, why didn't you allow yourselves the kind of time that you would need to make this kind of monumental change in the tax structure? At any given time it would have taken a minimum of four years to reassess properties across Ontario. You did it in one.

Do you remember Gerry Phillips in the House? He brought in the newspaper ads that the government ran because they were looking for tax assessors. I think they bought the \$2 ad every day for a week to get the deal on the ad because it said, "Required: Running shoes and a calculator," or something ridiculous. That's the kind of new staff that you employed to enact the whole new assessment system that is affecting every resident in Ontario. Do any of you look at this and say, "Are we watching the cartoon channel or are we running the Ontario government?"

**Mr Froese:** Right now we are.

**Mrs Pupatello:** Come on. Mr Froese, I'm going to go down to Niagara-on-the-Lake and I'm going to ask the business people there, "How are your hospitals doing?" Why is it that Fort Erie dropped all of the OB services? Their money didn't change. They're not in deficit either. You know what they did? They just cut the service out entirely. They don't even offer obstetrics there any more. That's the Fort Erie hospital. Why? Did you question that at all? Did you question the fact that all of the other hospitals in that region now have to pick up the services for those women who are delivering babies in your region? That Fort Erie Hospital is not in a deficit but it cut that service holus-bolus right out of that hospital. Did you question that with the minister? Did you knock on her door and say, "Hey, maybe this isn't a deficit so it's not going to be red-flagged, but we just lost a whole service here for my community"? Where are these women driving to at the eleventh hour, which you probably can relate to well? Are



they going to Hamilton? Are they going over the river now? Do you remember Minister Wilson at the time when he said that the Windsor people having babies — he said in the House that they can just pop across the river. Do you remember that outlandish statement? The fact that across the river is an entirely new country and state? I mean, this is the cartoon channel in Ontario today. It's embarrassing.

1730

I brought two busloads of people up from Windsor to sit in the Legislature to debate this bill. Those were people who had suffered personally, some of them, at the hands of our hospital system. They were the ones who couldn't get their arm cast set for three days. They were left with a dislocated shoulder, which is extraordinarily painful, for 14 hours in the waiting room. It's ridiculous to think what the people have suffered. The fact that someone who's coming in and dying on the stretcher cuts right through all of this and gets in is a good thing, but the seriousness of what's getting left in the waiting room to date is so different from what it was even three years ago, not to mention pre-1993. The cuts did start in 1993.

We have never seen the likes of this before, and I know some of you think it's funny, these examples are so exaggerated. These examples are absolutely true. I have documentation for every single one of them, absolutely, on paper.

I have to walk through this little shop of these young business people trying to make it in their world, in their first couple of years in business, with their business plan that they dutifully went to their bank with, trying to decide what their business costs were going to be in that first year, and budget and borrow accordingly, to get hit and socked with a property tax bill that they cannot afford. For one business that's doing very well, they actually weren't able to pay last year's property tax bill. When they saw their new one they couldn't believe it. They can't believe that this government would do that to small business.

Now they're going to watch Ernie Eves come to the rescue. What, did he go find a red cape in some back closet somewhere and now he's flying down from the mountain? Like he's going to come and save the day: "Those darn municipalities. We'll show you, because if you don't help them, we're going to step in and we're going to do it." When you step in and do it, what likely is going to happen is, you're going to force municipalities into debt.

You've got very few major public sector partners out there. You've got hospitals — you've done them over a long time ago, starting in your first year, 1996 — acknowledged by everyone, even outsiders, this is the worst financial crisis they've ever faced.

Municipalities now, which you've cut as well, have already eaten over the last three years most of the reserves that any of them have sat on. Now you're going to come in and force them to do this municipal change in their assessment? For what? Are you going to give them the accompanying funding that goes with that? Or are you going to do the legendary unfunded mandates that were so

famous with the NDP: "Here, just go do that. No, we don't have any more money to give you. Just go do that."

Is that what you're going to do? Or are you going to find your little envelopes for your friends? You'll notice that we asked a long time ago what the formula was for funding municipalities. "Gee, I don't know what that is. Gee, we're not sure. We don't know what the application form looks like." I'll tell you what it looks like. At the moment it looks like a Tory face, and if those Tories decide they like you enough, they're going to give you the money. If they don't, you don't get the money, and you better not complain about it because you won't get anything for anything. That is the position that we now have Ontario in today. In closing, may I say — am I ready to close, Chair?

**The Chair:** You are ready to close.

**Mrs Papatello:** In closing, may I say that I have never, never seen the gall as displayed today to talk about the kinds of things you've talked about in the Office of the Premier, when we know that there are expenses that will become legendary, the propagandist advertising that this government has launched into at the cost of taxpayers; that you would dare be so offensive and insulting to people who should be your partners. I think you should be ashamed. I hope that the public continues to watch this cartoon channel because at some point they're going to tire of it, and I hope that's soon.

**The Chair:** Thank you, Mrs Papatello. I'd like to now turn to the third party, Mr Wood.

**Mr Len Wood (Cochrane North):** How much time do I have?

**The Chair:** You'll be able to have 24 minutes today and the balance of six minutes when we reconvene next Tuesday.

**Ms Mushinski:** I wonder if you could clarify that. I have indicated that I —

**The Chair:** Yes, I'm sorry. The parliamentary assistant has asked us to break off at exactly a quarter to, so we will do that. Therefore if you could give us the first part of your presentation today, we will continue with that when we reconvene next Tuesday. All right, Mr Wood.

**Mr Len Wood:** Thank you, Chair, and thank you for your presentation. In the few minutes I have before you have to leave, I would like to point out a few things. During the five years the NDP was in government, the expenditures of the Premier's office continuously dropped each and every year from at least 1992-93, down to 1995-96. Then in the 1995-96 budget we saw a drastic increase of almost 21% in the first six months that Mike Harris took over. So if we're looking back, in the last three years the cost of operating the Premier's office under Mike Harris has increased about \$1 million per year, more than what was being spent in the Premier's office while Bob Rae was Premier.

In your opening comments you said the Common Sense Revolution mandated that you were going to make some changes to the province of Ontario as you lead forward, but I didn't see anywhere in the Common Sense Revolution where the budget in the Premier's office would

have to increase by that much year after year, at the same time as cutting off the food and shelter for the kids in this province by almost 20% in the first year. I'm talking about the first year that the Premier's office expenditures, in estimates and in actuals, went up almost \$1 million. The children in this province on welfare were asked to go with only one meal a day instead of three meals a day and sleep out on the streets. And we're continuing along. The expectation is that we'll see some communities destroyed completely as they close over 600 schools across this province and reduce operating budgets of hospitals so that they will have to close as well. Some of the estimates that we've heard is that 40, 50, 60 hospitals will close during the five years that Mike Harris has been in the Premier's office.

At the same time as the large expenditures are happening in the Premier's office, there's money being given away to people who don't necessarily need it. Our position has been very simple: that the people who are making more than \$80,000 per year shouldn't be getting a 30% tax cut. It should be used to reduce the costs of the communities, to help out the education system and to improve the health care system in this province. We've taken a different position from what the two other political parties have taken. We're saying we cannot see the system continue the way it is. I'm sure that under Premier Howard Hampton expenditures in the Premier's office would go back to what they were and continue to reduce year after year, instead of seeing increases, in 1995-96, in the first six months that Mike Harris took over, of almost 21%, and then in 1996-97, we've seen a jump of 43% in the Premier's office.

Now, what is this money being spent on? We'll have a lot of questions and more comments another day, but what is this money being spent on? Is this part of the expenditures of the junk mail that everybody gets in their mailboxes, saying: "We did polling out there and people don't believe they're getting a tax cut. We're going to send you an explanation as to the savings that you should have been seeing on your paycheques and if you're not seeing them, we don't know where the money's going." The people know exactly where it's going: in user fees and increasing property taxes and things of this kind.

In our estimation, the expenditures in the Premier's office have been out of control over the last three and a

half years, and they're continuing at this point in time. We're looking at numbers in estimates close to \$3 million, when in 1995, the last year that Bob Rae was in government, it was less than \$2 million. We don't know the reason for this increase. As I said before, we're going to have a lot of questions on that.

In your comments I got the feeling that some of the blame is being pushed on to other people, whereas our party is saying that the blame has to be put back where it belongs, right on Mike Harris's office and the Premier's office. When they're throwing money away or wasting money —

**The Chair:** One more minute, Mr Wood.

**Mr Len Wood:** OK, thank you.

There's a concern out there: that much of an increase in the Premier's office and you have teachers who are being laid off in Etobicoke. In the Félix-Leclerc school in Etobicoke, in the middle of September, the principal and the school board said, "We have to get rid of two teachers because our budgets have been cut, so we're going to include grades 7 and 8 in one classroom." One of the teachers that I know out there has 38 students.

If some of this money that was being wasted in the Premier's office, whether it's in this building or over at the Whitney Block, was spent on education and health care, we wouldn't have to put that burden on to the teachers. It's impossible, in my estimation, since the middle of September for this particular teacher to do a good job of teaching grade 7 and 8 students, with no assistance, with 38 kids in a classroom. It's impossible. She cannot continue to operate in that manner.

Our education critic today raised the issue that in a number of other schools, since September 1 until now, we're seeing classrooms being shut down and more and more teachers being juggled from one school to another school, and more and more students shoved into the same classroom. That was not in the Common Sense Revolution that I saw, but it's happening out there. It's time that we got a new government in here that will change things around for the good of the province.

**The Chair:** Thank you, Mr Wood. We look forward to hearing the rest of your presentation. We commence on Tuesday. I declare the meeting adjourned.

*The committee adjourned at 1743.*





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Mr Blain K. Morin (Nickel Belt ND)

Mr Gerry Phillips (Scarborough-Agincourt L)

Mrs Sandra Papatello (Windsor-Sandwich L)

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of Ontario**

Second Session, 36<sup>th</sup> Parliament

**Assemblée législative  
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Deuxième session, 36<sup>e</sup> législature

**Official Report  
of Debates  
(Hansard)**

**Tuesday 27 October 1998**

**Journal  
des débats  
(Hansard)**

**Mardi 27 octobre 1998**

**Standing committee on  
estimates**

**Office of the Premier**

**Comité permanent des  
budgets des dépenses**

**Cabinet du premier ministre**



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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 27 October 1998

Mardi 27 octobre 1998

*The committee met at 1544 in committee room 2.*

## OFFICE OF THE PREMIER

**The Vice-Chair (Mr Rick Bartolucci):** We'll call the meeting to order. Mrs Mushinski, thank you for your attendance.

**Ms Marilyn Mushinski (Scarborough-Ellesmere):** Apologies for being little late, Mr Chairman.

**The Vice-Chair:** All right. We will begin with the NDP, who have 22 minutes left in their opening remarks.

**Mr Gilles Bisson (Cochrane South):** To the parliamentary assistant, we're glad that you are able to be with us today. You're somewhat late, but I imagine being the parliamentary assistant to the Premier is a very busy job, always having to confer with the Premier on every decision, having to talk to him in detail about what decisions he's making and making sure he's properly advised. We all know that is the job of the PA.

I have a number of questions I would like to raise further on in the committee. I would like to use the time for a few things to say up front, and I do have a series of questions that I'd like, if the parliamentary assistant can make sure her staff note that we're able to get answers to. I would also like to note that last year when we had the Premier's office before this committee, there were specific questions asked that were never reported back to me and back to this committee, and I don't think that's the way we should be doing business.

Needless to say, I have a large ideological difference with this government. I respect that this government has its views, that they believe in what they're doing, as far as they're concerned it's right, but basically in my view a lot of what this government's doing in the longer run is going to come back and bite us. I think a lot of decisions that are being made are somewhat problematic.

I look at the decisions being made today around Ontario Hydro. This whole issue of the stranded debt, the whole issue of transferring over assets of Ontario Hydro to the private sector the way that this government is doing, this particular exercise really gives me a sense that when they talk about reducing the deficit they're really talking about not reducing the deficit of the government so much but transferring that deficit on to people by way of user fees and added taxes. In the case of Ontario Hydro, we're going to see that probably in spades.

Also, I have a difficulty with your government, Parliamentary Assistant, with regard to a number of the decisions that you make, because it seems to me that this government seems to sometimes forget the role of government. If I listen to Mike Harris — during the opposition years and now in government — they really are trying to tell you that government is not especially a good thing, that government is too big and we should make it smaller and if we do that everything is going to be better. From where I sit in northern Ontario that's not the case. Government has a very important role to play in making sure that we do a few things right, and those things are, in my view and list of priorities, that we need to ensure that we have a good system of health care that responds to the needs of individuals in our communities, not just in some communities, but making sure that we have a proper infrastructure of health care across the province. Equally important is a good system of education.

We all know that Ontario is not a low-wage economy; Ontario is a high-wage economy that competes on the basis of a knowledge-based economy. In order to be competitors in that kind of economy, you have to have an excellent system of education that responds to people. I see this government making a number of changes, not all of them bad, but on the mix I would say a lot of them are bad. I can't say that all of them are bad, but I worry about policy decisions around education. I also worry about funding issues. I see the government reducing overall budgets at the primary-secondary level when it comes to actual dollars spent in education. I really worry about the tuition increases that we have. We've had not only your government — in fairness, there were other governments before in opposition under the Davis government, under the Peterson government, the Rae government, and now the Harris government — under which we have seen tuitions rise at the post-secondary level.

I really worry about that and my good friend Mr Bartolucci from Sudbury would probably concur on this point, and probably children or young adults in other parts of the province, that as tuition starts to rise it's not just the question that young people are having to assume a larger and larger debt to go to school, but it becomes more difficult for them to make the decision to get there. I really worry about your decision to deregulate tuition fees on post-graduate programs at university.

We in northern Ontario are having a heck of a problem, as are other places, attracting doctors. One of the solutions

is the long-term one, to encourage our young people to become doctors and come back into our northern communities and practise medicine. But if we see tuition fees go the way they are because of the deregulation of post-graduate programs, we're going to see virtually a lot of kids in northern Ontario, as in other places, who won't be able to afford to go to school: 18,000 bucks for tuition is a lot of money, and most kids I know in Timmins or Iroquois Falls or Matheson don't have 18,000 bucks a year to go to university to become a doctor. What I think that does over the short term is block kids who want to go into medical school from going, and second, over the longer term it's a real societal problem, because what you're going to end up with eventually, if this is not reversed, is most members of the fraternity will come from the upper classes. What is that going to do for health care and what is that going to do to the overall well-being of our economy? It's going to really be one class level, those people with dollars, who will be in those positions, because kids at the bottom end of the scale, kids of working parents and working-class kids, are virtually not going to have an opportunity to go.

I look at what your government does when it comes to economic development, and I really worry about this one. We all understand, and I think we all agree on all sides of the House, that economic development is one of the most important things we can be doing in government, ensuring that we create the climate for investment, ensuring that we have an ability to assist the private sector where need be to participate in this thing that we call the economy. I look at what's happening not only here in Ontario but I look at North America and the world economy. The economy has shifted to the right. It is an economy that is based on the big guy, the big company. The big multinational organizations are the ones that are controlling the vast share of capital that's available to business.

1550

I look at what happens in my community and I think it's the same for most. You have a whole bunch of individuals who would like to start their own businesses who are having more and more difficulty getting off the ground. Why? Because the banks have become very conservative in their policies when it comes to lending money to individuals and small businesses that are established to either start a business or expand an existing business.

I look at what this government has done. It has cancelled economic development programs. It has cancelled programs such as the ones we had at NODC. I look at programs of the heritage fund, MEDT, a number of programs that were cancelled, that didn't fix the problem but went a long way to assist the small business community and individuals to participate in the economy. I would much rather see the government utilize its resources and its expertise to look at developing policies and investment vehicles that are not so much aimed at the big guy — the big guy will always do well; the multinationals have got bucks, they've got lawyers, they've got access to capital — but it's the small guy on the street, the man and the woman who want to start a business, the man and the woman who want to invest in their own business and

expand it. Those are the people who need our help. That's where government can play a good role. I'm not saying give them money — I don't think that would be right either — but there's certainly an ability by government by way of loans or loan guarantees to make the borrowing of money a little bit easier.

All in all, I have great difficulty in the direction this government is going, because I really believe the government forgets what its role is. I think its role is supporting communities, making sure that we have a good system of education and health care, so that we are able to perform as an economy.

I have a number of specific questions I want to ask the ministry and I want the parliamentary assistant to note these questions and hopefully get answers to specific questions that I have. One of the things I've noticed in the estimates, as far as the budget of the ministry, is that the spending seems concentrated in services when you look at the estimates of the Premier's office, particularly for this year. One of the questions I have is — I don't need a response at this point; what I want are written responses coming back — what are these services that you're spending money on, and are there any communication activities involved in that spending? Is any of the money that we see in the \$2.6 million of last year or the \$2.9 million for next year going to be utilized in communications activity? I'd like to know what those activities are.

The other thing is as I look through the estimates I notice a large enough increase in the budget over the last couple of years, and again I would ask a response to this particular question: How many staff are there in the Premier's office at this point, what are their classifications and what are the salary ranges? I don't need to know specifics but I'd like to know what the ranges of salary are for these people.

**Ms Mushinski:** Do you want the range of each one of them?

**Mr Bisson:** I want the range, not the specific. I'm not interested in knowing that staff such-and-such is making so much.

**Ms Mushinski:** You don't have any specific —

**Mr Bisson:** I just want the salary ranges. I'd like to know bottom range, top range, what people are getting paid. I want to know how many people you have in the Premier's office and what the classifications of those individuals are.

The other thing I want to know, because we all know that this government is very big in fee-for-service contracts when it comes to getting particular projects done — again another question — how many fee-for-service contracts did the Premier's office sign last year, and again, what the ranges of those contracts were, and if at all possible, what some of those were for. I don't think I'll get an answer to the last one.

**Ms Mushinski:** Ranges and purpose, right?

**Mr Bisson:** Ranges and purpose, yes.

I also want to know what individuals who formerly worked for the Premier's office are currently working in the Ontario Jobs and Investment Board and what capacity



they're working in. We know that there's been a shift of a lot of people who have gone over to the Ontario jobs board and I'd like to know who those people are.

**Ms Mushinski:** That is cabinet office, and questions relating to that would come under those particular estimates.

**Mr Bisson:** All right. I'll come back to that when we have questions a little bit later. You might be right, but I have a suspicion there are some people who have gone over there.

The other thing is, you used to have Ab Campion who worked in the Premier's office and who is now doing work at the Ontario Jobs and Investment Board. I'd like to know what he's doing on that particular board. I don't seem to have a line on that.

**Ms Mushinski:** Could you repeat that?

**Mr Bisson:** You had an Ab Campion who is now doing work at the Ontario Jobs and Investment Board. He used to be with the minister's office. I'd just like to know what he's doing these days. I haven't seen Ab in a while. Also, we note that David Lindsay has moved away from the Premier's office, again to the same board, the jobs and investment board. I guess the question I have, and if I can get this, in that particular board, is there any restriction to the political activity of individuals working at that board? Because we all know how David Lindsay is.

**Mr John L. Parker (York East):** On a point of order, Chair: We are here to deal with the estimates of the Premier's office, not the estimates of the cabinet office. I wonder if you might admonish the member to train his inquiry to matters relating to the estimates that are in fact before us.

**The Vice-Chair:** Thank you, Mr Parker. Mr Bisson, you have 11 minutes and maybe you could try to tie in Mr Lindsay with the Premier.

**Mr Bisson:** I will definitely. I guess when you evoke a reaction from the government, saying, "Don't ask questions in this line because we think it might be out of order," it would tell me that maybe they're a little bit more nervous about this than I thought they were. We know who David Lindsay was. We know David Lindsay was a staff member of the Premier's office. We know David Lindsay, as many others would know, is a very politically active person within the Conservative Party, and we have the right to know, through the Premier's office, if he's been transferred over there, what the heck he's doing.

**Mr Parker:** He's not in the Premier's office.

**Mr Bisson:** I get a sense that we really have hit a nerve here.

**Mr John Gerretsen (Kingston and The Islands):** What are you trying to hide?

**Mr Parker:** Why don't you ask about Bill King? He's no longer with the Premier's office. Why don't you ask what he's doing now?

**The Vice-Chair:** Mr Parker, please. Mr Gerretsen, Mr Bisson has valuable time; he'd like to use it.

**Mr Bisson:** Thank you very much. I just make this point yet again: When you get this kind of reaction from the government side, they must be nervous about some-

thing and maybe we need to do a bit more digging on that side, considering the reaction we get. Political lesson number one is that you should not react to these things, because it gives us the suspicion maybe we should go further.

With regard to the Premier's office as well, I note that the budget of the Premier's office has gone up again this year. We know that last year, in 1996-97, their actual expenditures were \$2.6 million. We know that they estimated before this committee — \$2.8 million was being requested from the Legislature to run the Premier's office. They came in at \$2.67 million, an increase over last year. Now this Premier and his office has come back to us again, just before an election, saying, "We want \$2.9 million." That's an increase over what they had the year before.

You know what? I distinctly remember something. I remember being on this committee, because I've probably been on this committee longer than most — I've been on this committee since 1990 — and I remember, je me souviens that the government, then the third party, with honourable members —

**Mr Marcel Beaubien (Lambton):** You're not as old as that, are you?

**Mr Bisson:** I'm as old as you are, my dear friend, as old sometimes I feel. But I do remember my good friend Mr Stockwell, the honourable member that he is, as an active, quite eloquent member of the opposition; I remember Mr Turnbull coming before this committee; and I remember other members of the Tory party coming before this committee and complaining of the expenditures of the office of Bob Rae, who was then the Premier of Ontario, and about how Bob Rae was spending lots and lots of money in the Premier's office and he supposedly had lots of staff and how terrible that was. They were going to be different. They were going to come in here and they were going to be austere. They were going to be the most austere group that was ever seen walking into the Premier's office. They made us that kind of pledge at estimates when we were here from 1990 to 1995. I just want to review the record because I think this is important and I think it's rather interesting. In the 1992-93 budget year, the estimates for the Premier's office were \$2.59 million — \$2.5 million, to round it out. In 1993-94, it went down. It went from \$2.5 million to \$2.3 million under Bob Rae. In 1994-95, it went from \$2.3 million to \$2.1 million. In 1995, if we had finished out our time, the estimates were \$1.8 million requested, again a reduction over what it was in the years before.

**1600**

I want to say why it is that the Premier of the day, Mr Bob Rae, and his government had reduced his expenditures in that way, because we were fairly conscious of the questions being asked by the then third party and the opposition of the day, Lyn McLeod. We were somewhat sensitive to the allegations that were being made about the size of the Premier's office and the amount of staff that were there. Obviously there seems to have been some kind of response, because when I look at the estimates, I see



that, year over year, from 1992 on, the actual expenditures in the Premier's office went down.

But I look in 1995-96, half of that year served under Bob Rae, up until June 8, 1995, and the rest of those expenditures afterwards were spent by who? Mike Harris, the now Premier of Ontario. It was estimated at \$2.8 million, and his actuals when he actually finished were \$2.1 million. He was going to be different. I want to know from the parliamentary assistant later, how is he different?

**Mr Beaubien:** It's shorter.

**Mr Bisson:** It's a little bit shorter, but I just look at it and I want to review the numbers. We start with a \$2.5-million expenditure in 1992; it goes down to an actual \$2.1-million estimate in 1994-95; it was going to go down further than that in 1996, but we did not finish our term. The Tories got in our way, as we might say, and so did the Libs, I guess. But anyway, I look at the expenditures at this point, and at the end of 1996-97 we estimated the expenditures at \$2.7 million. We finished with \$2.6 million. I guess we can say: "Hooray, hooray, the Premier came in under budget. He came in under estimates. Boy, what a good money manager he is." But if you were to raise my budget in my constituency office, year after year, to the extent that you've increased the budget of the Premier's office, I'd be able to come in under budget every year too.

Members of the assembly have not had that ability. The members of the assembly have seen their budgets go down overall. One of the big jokes or one of the big scams, as I would call it — oh, that's not parliamentary, is it? I can't say the word "scam" in committee, I would say, Chair?

**The Vice-Chair:** You're right. Withdraw.

**Mr Bisson:** I withdraw the word "scam" and will think of some other word in my vocabulary that doesn't come to me right now.

They have said that members are not to have free mailing privileges. We used to have the ability to do three householders a year, plus we had unlimited mailing. We were able to do as many letters as we wanted to our constituents. The government now says "within a global budget." All of our communications are done through a global budget of \$201,000 that's meant to run our constituency office. That's a reduction of around \$30,000 to \$50,000 per member, depending on how much you used to communicate. And this Premier comes to us at the estimates committee and yet again this year asks for more money to run the Office of the Premier?

I have great difficulty in accepting these estimates. If it's good enough for members of this assembly to have a reduction of their budgets overall, if it's good enough for members of this assembly to actually have their expenses frozen since the reduction of 1996, why should this committee allow the Premier of Ontario, none other than Mike Harris, to ask for an increase this year in excess of \$132,000? I want to know what's different about Mike Harris. Does he have a new tailor who charges more money? We need answers for these questions.

**Mr Gerretsen:** New golf clubs.

**Mr Bisson:** Did he buy new golf clubs that we have to pay for? Does he have a new car? Is the coffee set in the reception office now no longer brass but silver? What's this all for?

I, for one, as a member, am somewhat miffed at a Premier who would come before this committee and ask us to approve yet again another increase in expenditure. Mike Harris is really good at cutting everybody else's salaries. Mike Harris is really good at firing civil servants. Mike Harris has no problem reducing the budgets in hospitals in this province on average 8% last year and the year before. This government led by Mike Harris has no difficulty taking over \$1 billion out of public education. This government has no problem under Mike Harris raising the tuition fees of students across this province and deregulating post-graduate programs at university level. If that's the Mike Harris everybody else knows, why should we accept increasing the expenditures of the Premier this year, as they did last year?

I would say in closing, I look forward to the questions and the discussion we will have with the honourable parliamentary assistant, Madam Mushinski, but I've got to say, I, for one, am not going to be supporting this request. I think it's wrong. If everybody else in this province has had to tighten their belt, I think Mike Harris has got a couple of notches on his belt that he can do.

**Mr Gerretsen:** Cut 22%.

**Mr Bisson:** Exactly. I would only close on this point, and it's a very good point: If he saw fit to cut the most vulnerable people in our society by 28% on social assistance, maybe we should be asking the same from the Premier. I might just be moving such a motion over the next little while.

**The Vice-Chair:** Mrs Mushinski, you now have 30 minutes to respond.

**Ms Mushinski:** Thank you for inviting me to appear once again before your committee. I want to tell you it's a pleasure to be here.

*Interjection.*

**Ms Mushinski:** Notice my tongue firmly in my cheek when I say that.

Last Wednesday, I appeared before your committee to present the Premier's office 1998-99 estimates, especially noting how the Premier's office was supporting the Premier in responding to the ideas, concerns and challenges suggested by the people of Ontario. Following my comments, a number of questions and, I would suggest, allegations were voiced by some members of this committee. I'd like to take a few minutes to respond to these questions and allegations in the interest of offering even more clarity and context to your review of the Premier's office estimates.

First, there was some concern about the quality and accuracy of the financial information that your committee received. I want to say, let there be no doubt, these estimates are thorough, they are complete and they are fully accurate. We have been forthright in passing on the information you need to do your job as committee members. As a government, we believe fully in the twin principles of

accountability and transparency. These estimates reflect our commitment to these basic fundamentals. In fact, your committee has received all information in compliance with standing order 63 which states:

"The minister or person answerable for the estimates considered by the standing committee on estimates shall provide each member of the committee and the clerk of the committee with advance briefing material which shall include such information as growth rates, interim expenditures for the previous fiscal year, and an explanation of the programs and funding by particular item."

The information provided to you is exactly what is required under the standing orders.

The member for Windsor-Sandwich, Ms Papatello, also made some what I consider to be truly outrageous allegations and comments regarding renovation expenses. This is an important issue because it deals with not only the best uses of taxpayers' dollars but also the best use of government buildings. Again, I would like to be very clear on this: There are no costs related to moving and renovations in the 1998-99 estimates that are before you.

**1610**

You may remember that the topic of renovations and the moving of offices came up last year during the committee's review of the 1997-98 Premier's office estimates. At that time, the Premier's parliamentary assistant, the member for Brampton South, the Honourable Tony Clement, made the following comments:

"Property management is handled by the Ontario Realty Corp. This corporation is an entity created by the previous government to manage the province's real estate assets on a businesslike basis. The relocation of provincial government offices out of Toronto, begun by the Peterson government and continued by the previous government, resulted in underused pockets of space in government-owned and leased buildings.

"ORC wanted to consolidate this space in government-owned buildings and to sell off the resultant empty ones that it owned or terminate the leases for the ones that it rented. That was the driving force behind the relocations at the Whitney Block.... A number of the existing occupants in the Whitney Block were required to relocate within the building to achieve the best use of the remaining office space, including the Premier's office.

"Offices for the Centre for Leadership were consolidated from leased space at 790 Bay Street into the Whitney Block, with immediate savings in these costs of \$700,000 a year.

"Based on these lease savings, this relocation project will pay for itself in about four years, and through similar co-locations and consolidations our government has saved more than \$25 million in office accommodation costs."

**Mr Gerretsen:** Where?

**Ms Mushinski:** Let me reiterate what my colleague said. Based on the lease savings of \$700,000 a year, last year's relocation of the Premier's office — and I say the Premier's office because that's what we're talking about — will pay for itself in four years. That in turn proves two things: (1) that taxpayers were the beneficiaries of the

relocation; and (2) quite clearly the allegations made last week by the member for Windsor-Sandwich are completely groundless and without any basis in fact.

Nonetheless they were illustrative of one particular point: They reflected the typical Liberal credibility gap, the startling difference that exists between what they say and what is actually true. It's comments like those that give honest, hard-working politicians a really bad name. I'm sorry to say that, Mr Chairman.

With that said, I'd like to move on to the issue of spending comparisons which was raised by the New Democratic representative on this committee, Mr Len Wood, the member from Cochrane North. Simply put, if the member thinks that the Premier office's spending under the previous government was lower — you should hear this, member from Cochrane North, I believe —

**Mr Bisson:** South.

**Ms Mushinski:** South, sorry — than the flat-lined Premier's office budgets of our Conservative government, I'm afraid that I have to pour water on that fantasy. As I indicated during our last session, our total spending estimate for 1998-99 is just over \$2.96 million, which is up approximately \$132,500 from last year. But the increase can be attributed, and I said this last week, to the implementation of new public sector accounting measures which were introduced in the spirit of transparency and accountability to taxpayers.

The biggest change in 1998-99 is due to the introduction of a \$197,500 cost for office accommodation, basically an internal government space rental charge levied this year by Management Board to all government offices. If that \$197,500 accommodation figure is factored out of the Premier's office budget, in other words if the old system of accounting is used, our 1998-99 estimates would equal \$2,766,915. When you compare that figure to the previous government's spending, using of course the restated estimates which tell the full story of their spending, not their initial global estimates, it rapidly becomes apparent that we're spending considerably less than the NDP.

As an example, let's take the fiscal year 1993-94 when the NDP Premier's office budget was \$3,125,248, as shown by the restated estimates.

**Mr Trevor Pettit (Hamilton Mountain):** How much was that?

**Ms Mushinski:** To repeat, \$3,125,248, as shown by the restated estimates. That's \$358,333, or 11.5%, more than our government has budgeted in the 1998-99. Do you want me to repeat that?

**Mr Gerretsen:** What does it prove?

**Ms Mushinski:** All I'm saying is that all this serves to prove (a) that we're spending less than previous governments, and (b) since we came to office in 1995, our Premier's office budget has been virtually flatlined. We've also brought in a new accounting system that more accurately and honestly displays government spending. It also makes government more accountable by bringing public sector accounting practices into line with those of the private sector.



In the interests of context, the member for Cochrane North may also want to compare staffing levels between our government and his, and he has raised that.

**Mr Bisson:** No, York South.

**Ms Mushinski:** Sorry, York South. My apologies.

**Mr Bisson:** Do you want me to call him?

**Ms Mushinski:** You should listen to this, because you did ask these questions.

What he failed to mention to the committee during his remarks last week was that the staffing complement in the Premier's office has dropped dramatically under Premier Harris. In fact, the NDP once had as many as 61 political staffers in the Premier's office; we have only 42. That's over 30% fewer staff.

This trend of fewer political staff carries right across the entire government, as you should know. Overall, the political staffing complement has been reduced substantially, by more than half in some ministries. For example, the NDP required two ministers without portfolio to oversee citizenship and culture, with a total of 29 political staff. Today, nine people do the same job in only one minister's office. In Management Board, nine political staff now do the work done by 17 under the NDP. Under the NDP, the Minister of Environment and Energy required 23 staffers. Under our government, only 17 staffers are required under two ministers, despite the fact that we have also added the vitally important portfolios of science and technology to the workload. In essence, we've doubled the portfolio responsibilities, yet we operate with over 26% fewer political staff, and that's important. In the Ministry of Community and Social Services, the NDP needed 17 political staffers to do the work that 10 do now, a 41% reduction in staff.

The bottom line is that under Premier Mike Harris, this government is doing more work in less time, more effectively, with fewer political staff, than any other government in the history of this province, bar none.

**Mr Gerretsen:** How many people did it take to write this speech?

**Ms Mushinski:** I'd like to now turn my attention to the issue of property taxes and respond further to comments made by members of this committee last week. As you well know, this is the second week of the government's salute to small business. We recognize that small businesses are the engine of the Ontario economy, creating about 80% of Ontario's jobs. A question arose during our last committee session concerning how small businesses would be affected by the municipalities' implementation of property tax changes.

**Mr Bisson:** Caused by you.

1620

**Ms Mushinski:** Given the interest in small business issues that I heard last week, I know members of this committee must have been pleased with the Minister of Finance's proposed three-year plan to limit property tax increases on Ontario's small businesses. As you will recall, the Minister of Finance, the Honourable Ernie Eves, proposed legislation to protect small business from

unnecessary and unacceptable increases in their property taxes.

*Interjections.*

**Ms Mushinski:** This legislation, if passed by the Legislature, will guarantee that no commercial or industrial property owner will face a tax increase related to property tax reform of more than 10% in 1998 and a further 5% in each of 1999 and 2000.

*Interjections.*

**The Vice-Chair:** People, could we allow Ms Mushinski to speak without interrupting or bantering across the way, please.

**Ms Mushinski:** Thank you, Mr Chairman. I was hoping that while I broke for a quick drink of water you would be able to bring some order back. I appreciate that.

Let me start by again saying that if the legislation is passed by the Legislature, it will guarantee that no commercial or industrial property owner will face a tax increase related to property tax reform of more than 10% in 1998 and a further 5% in each of 1999 and 2000. This will provide small businesses with more planning certainty and it will help them to make decisions about investment, expansion and job creation.

Since the beginning of our mandate, this government has brought tax fairness and relief to millions of Ontarians. Minister Eves's plan, announced last Friday, will ensure that municipalities do the same for small business property owners and, perhaps more importantly, it will ensure that one baker in the Windsor area will have to sell only a fraction of the panini he would have had to under the old plan.

I'd like to turn to another matter that engaged your members last week. Ontarians from all walks of life have told us that they want our world-class health care system strengthened and improved. They want access to improved services like cardiac and cancer care. They want to see long-term-care services expanded. They want assurances that the safety net of emergency services will be there when they need it.

As last week's efforts by the Premier, the Minister of Health and the Minister of Long-Term Care show, this government is working hard to meet these demands. Just as the Premier promised, money targeted to alleviate emergency room pressures is now flowing.

**Mr Bisson:** Only after you were forced into spending the money.

**The Vice-Chair:** Mr Bisson, please.

**Mr Bisson:** It takes gall to say that.

**The Vice-Chair:** Order.

**Mr Bisson:** Mr Chair, on a point of order: Is there anything in the standing orders that prevents her from doing anything that takes gall?

**The Vice-Chair:** No.

**Mr Bisson:** Why?

**The Vice-Chair:** Continue with —

**Mr Bisson:** Mr Chair, on a further point of order: As I understand it, the standing orders will allow me to say the following: It takes gall to do what you've done. You didn't



spend the money for six months and then you were forced to spend it.

**The Vice-Chair:** Mr Bisson, you really are out of order now. Let's bring it back. Ms Mushinski.

**Ms Mushinski:** As I said earlier, I am putting this within the context of allegations that were made last week. I feel that I must respond.

**The Vice-Chair:** Continue, Ms Mushinski.

**Ms Mushinski:** The Ministry of Health is working with Ontario hospitals in a constructive manner to address this long-standing problem.

Health care is an extremely important issue to us. It is one that quite rightly evokes tremendous emotion, because in many ways it is a symbol of our Canadian existence. When dealing with such an important and emotional issue, it's important to understand all of the facts. It's important to gain a little perspective. It's important to examine how the different political parties approach such an important set of programs.

When it comes to health care and the three political parties, the facts are quite clear. The track records are there for all of us to see and, not surprisingly, the facts clearly illustrate that on health care, as on other issues, some political parties suffer from a truly dramatic credibility gap.

When political rhetoric is swept aside, the truth, as they say, is always revealed, and the truth shows that only one party has cut health care spending in Ontario. Didn't we hear that today? The Liberal Party, from their bastion in Ottawa, cut health care transfers to the province of Ontario by over \$2 billion.

In response to these unprecedented cuts, and to protect the health care system that we know Ontarians hold so dear, the Conservative government under Premier Mike Harris invested not only to offset the Liberals' cuts, but to raise health care spending in this province to \$18.5 billion per year. That, as they say, is the highest level in the history of this province. In fact, that's more than \$1.2 billion more than the NDP spent on health care during their last year in government.

**Mr Gerretsen:** Look at the BNA act.

**Mr Parker:** Is that your explanation?

**The Vice-Chair:** Continue, Mrs Mushinski.

**Ms Mushinski:** It doesn't end there. It doesn't end with transfer payment cuts, and it's timely, given the Minister of Long-Term Care's announcements last week, to look at the history of long-term-care beds in this province.

As you know, our Conservative government has put in place a plan to introduce 20,000 more long-term-care beds in this province, at a cost of over \$1 billion. That's over 175 new long-term-care facilities, and it also means more community-based long-term-care services for more than 100,000 Ontarians. This is the biggest expansion of long-term-care services in the province's history, and we are proud to make it.

Why did our Conservative government have to make such a massive investment in expansion? For one reason, and one reason only: It was necessary simply because the

number of long-term-care beds in this province was frozen in 1988 by the Liberal David Peterson government.

*Interjections.*

**Ms Mushinski:** Yes. Do you want me to repeat that?

**The Vice-Chair:** Go ahead, Mrs Mushinski.

**Ms Mushinski:** In 1988, David Peterson and Dalton McGuinty decreed that seniors in this province didn't need any more beds. So for more than 10 years, despite a growing and aging population which we're all rapidly racing to join, not a single long-term-care bed was added in this province. That is, of course, until Mike Harris and the Conservative government had the courage to step in and to take action to ensure that seniors in this province get the long-term-care services they need and deserve.

Rhetoric aside, the facts are clear: Liberals cut health care; Conservatives step in to protect it. The Liberals say that seniors in this province don't need more care, and Conservatives refuse to accept that.

History shows that Liberals are willing to jeopardize our cherished health care system through funding cuts and frozen programs. As Conservatives, we've shown on behalf of Ontarians that we will not accept cuts to such an important and cherished service.

**1630**

**Mr Gerretsen:** Why are you closing hospitals, then?

**Ms Mushinski:** Put simply, history shows time and again that Liberal action does not live up to Liberal rhetoric.

Moving on, last week Ms Papatello also stated her concerns about the need to stand up for Ontario's middle class, the hundreds of thousands of families who have borne the brunt of tax-and-spend days of past governments. I'm here to tell your committee that there is no government, no Premier in the history of this province, that has done more for the middle class than Mike Harris. The benefits of our 30% tax cut for middle-class taxpayers say it all.

The Peterson and Rae governments hiked personal income taxes on individuals making \$25,000 annually by \$290. Mike Harris has cut their taxes by \$510 a year. The Liberals and NDP hiked the PIT of \$40,000 earners by \$630 annually. Mike Harris gave the same individuals a tax cut of \$1,100. Middle-income earners at \$50,000 saw their annual income tax bill rise by \$890 between 1985 and 1995. Mike Harris cut their taxes by \$1,555. Middle-income taxpayers with earnings between \$25,000 and \$50,000 per year receive 64%, or \$3 billion, in tax cut savings each year under Mike Harris's plan.

With our tax cut fully implemented, the top 10% of taxpayers pay a greater portion of Ontario's income tax revenues, 45%, than they did under the Liberal and NDP tax regime at 42%.

In a nutshell, we've made it our business to be the champions of the middle class, because we're sick and tired of seeing successive provincial governments put the screws to hard-working families.

Speaking about how our policies benefit taxpayers brings to mind the great strides the government has made in providing efficient, cost-effective and accessible

government services to our customers, the taxpayers of Ontario.

As I noted in my remarks last week, the Premier's office, like other parts of the government, is keen on being accountable to the people. This accountability extends not just to being careful and frugal in our treatment of tax dollars, but also in giving value to each taxpayer. Value is something we hear a lot about these days. In today's competitive, booming economy, newspapers are filled with advertisements that offer not just lower prices, but also high-quality services and value incentives in order to attract customers.

It is a similar situation in the public sector. As everyday lives become more hectic, people want to conduct their government business when the time is right for them, not when it is right for the government. That means keeping offices open for extended hours, and making services available seven days a week in some circumstances. It also means making a variety of services available, ranging from traditional staffed offices to convenient service kiosks and accessible Internet services. The sum of all this is that hard-working Ontarians quite rightly demand value for their tax dollars.

With the leadership of Premier Harris, the government has responded to Ontarians' expectations for high value public services. The government has proposed an agenda that reduces red tape, provides better service to the public, restores consumer confidence and creates new ways of delivering customer service. The key here is innovation, coming up with novel, exciting service approaches that meet taxpayers' needs. It also means doing the work in a manner that is both efficient and fiscally prudent, something that has become the hallmark of this government.

The great news for your committee is that the government's new customer-centred approach, coupled with more technological advances, has reduced costs even as we have met the increasing and legitimate demands of Ontario taxpayers.

I realize that my life — my time —

*Interjections.*

**The Vice-Chair:** Your life is fine.

**Ms Mushinski:** I was going to say my life is limited, but —

**The Vice-Chair:** Your life is fine; your time's a little limited.

**Ms Mushinski:** The Premier, the cabinet, the staff of the Premier's office and many other members of the public service have made some great strides over the past year towards their goal of making the government of Ontario work smarter and better. In the interests of accountability, I did want to spend a few minutes telling you more about what has gone on, but I'll wait for some questions hopefully from my colleagues so that I can expand more on what I want to say.

**The Vice-Chair:** Thank you very much, Ms Mushinski. Now we'll start the rotation of the questioning, and we'll start with the official opposition, who have 20 minutes. Then we'll move to the third party and then to the government.

Mr Gerretsen, you're going to start?

**Mr Gerretsen:** Yes. Let me just say how disappointed I truly am that we have had to be subjected to the standard rhetoric for the past half hour. As a relatively new member in the Legislature, I had always been told that the real work of the provincial parliamentarian takes place in committee, so it was always my hope that this would be the place for some serious and honest debate. It certainly doesn't take place in the House most of the time, because we hear nothing but rhetoric as well, and from time to time we may even be involved in our own rhetoric as well.

**Mr Wayne Wettlaufer (Kitchener):** From time to time?

**Mr Gerretsen:** I try to be honest about these things.

It's extremely disappointing to listen to a speech filled with political platitudes. I hope it's a recycled speech, because I hope that people haven't spent too much time putting that stuff together. It seems to me quite obvious that this committee isn't all that much different from what takes place in the House on an ongoing basis, in that it's just rhetoric versus rhetoric.

I have some very specific questions of Ms Mushinski. I know Mr Parker may object to this, because remember, he said we've got to stick to the actual —

**Mr Bisson:** She didn't.

**Mr Gerretsen:** Just a minute — to the actual wording that's contained in this pink document — although you're quite correct. I don't think Ms Mushinski ever even referred to the document at all, but she talked about just about everything else that's out there.

I had an opportunity earlier today to look at the Web site of the Premier's office, and off the Web I got a number of interesting pages. I would like to ask Ms Mushinski some questions on what's actually on the Web site. It is the Premier's Web site, so I assume she's fully familiar with what is being put out by the office on an ongoing basis. As a matter of fact, it has an introduction by the Premier of Ontario, and then he talks about investing in priority services, health care. I'd just like to talk about that for a moment. It says he puts patients first, that we've "put patients first."

**1640**

I wonder if she could relate that to the fact that I think today we saw the 36th hospital in Ontario being closed by the government: 36 hospitals are closed or slated for closing. At least three of them happen to be Hotel Dieu hospitals, run by the Religious Hospitaliers of St Joseph, in Cornwall, Kingston and St Catharines. I'm not sure whether there's a religious element to this or not. I sure as heck would hope not, but I can tell you that there are many people in my riding who think there is a religious element to all these closings.

**Mr Wettlaufer:** Mr Chair, on a point of order: I think that allegation or that question of a religious element, it is below even Mr Gerretsen to raise that suggestion in this committee. As a Catholic myself, I am very offended at that line of questioning, and I ask you to ask him to withdraw that.



**Mr Gerretsen:** I will not withdraw that. These are comments that are made to me by people —

*Interjections.*

**Mr Gerretsen:** What I said was that I have heard from a number of people in my constituency who are questioning whether there's a religious element involved in this, and maybe Ms Mushinski can answer that.

My question, though, is, how do you think patients are being put first with the closing of 36 hospitals in this province?

**Ms Mushinski:** First of all, this question has absolutely nothing to do with the estimates that are before us; in fact, I can say that the estimates for the health budget were completed on June 24, 1998. I'm assuming that Mr Gerretsen, being a member of this committee, was probably there at that time, and perhaps he should have confined those questions to that time.

**Mr Gerretsen:** With all due respect, in your speech, and I haven't got a copy of it right here and now, but you made reference to the fact that the Premier of the province was attempting to make sure that the excellent health care —

**Mr Pettit:** On a point of order, Chair: I don't believe you ruled on Mr Wettlaufer's point of order.

**The Vice-Chair:** The reality is I'm not going to ask him to withdraw it, because he did qualify that. He said, "I hope that's not the case," but that he had heard that, and he had asked the parliamentary assistant to comment on it. She can dispel it by simply saying —

**Ms Mushinski:** I think I've answered the question, Mr Chairman, in that this is a matter for the health estimates, and my understanding is that they were completed on June 24 this year.

**Mr Gerretsen:** I would hope that the government members of this committee would not try to muzzle opposition members when they raise issues which are raised to them in their own ridings.

**The Vice-Chair:** The reality is, Mr Gerretsen — let's not waste a whole lot of your time — they have a right to rise on a point of order, just as you have. We'll rule on it and we'll move on.

**Mr Gerretsen:** My question to you is simply this: In your speech that you just gave, you gave examples of how the so-called excellent system of health care in Ontario has been improved, how you're spending more money and how you're putting patients first etc. I am simply asking you — this comes out of your speech to us earlier today — how the closing of 36 hospitals in this province puts patients first, as is shown on your Web page. How does that put patients first?

**Ms Mushinski:** I'm going to respond first of all by suggesting that my submission this afternoon was clearly a response to what I considered to be some outrageous allegations that were made by the member of the Liberal Party last week. When I presented my own submission last week, I clearly put that submission on the estimates within the context of our government and our government's agenda. The submission that I have made to you this after-

noon was a response to the submissions that were made by both the opposition and the third party.

Having said that, the estimates that are before us I have full knowledge of, and I would be prepared to answer any question pertaining to the Premier's office estimates.

Mr Gerretsen has asked a question pertaining to the Ministry of Health, I'm assuming with respect to estimates. This estimates committee has dealt with that matter. I suggest that Mr Gerretsen refer to the Hansard dealing with the health estimates, as I'm sure that he will find the answer to that question. I do not have the details of those estimates.

**Mr Gerretsen:** Will you admit then that what you were spouting here earlier about the excellence of our health care system and how much money we're spending in that health care system is just pure rhetoric on your part, because you don't know what you're talking about because you don't know anything about that particular budget? Is that what you're saying?

**Mr Parker:** That's not what she said.

**Mr Gerretsen:** I'm asking her.

**Ms Mushinski:** That is not what I said. My response to the question stands.

**The Vice-Chair:** Mr Gerretsen, with all due respect to both of you, if there are particular questions that address questions of the budget, this is estimates so we allow latitude. Everyone in this room knows there is latitude allowed in estimates because we're dealing with offices, but the reality is we try to tie it in somehow to the estimates.

**Mr Gerretsen:** With all due respect to you, Mr Chair, Ms Mushinski made a speech here that lasted over half an hour and not one — I should rephrase that — for about one minute she referred to the actual estimates and how their estimates were less than they were during Bob Rae's time. During the other 28 or 29 minutes, she made a general speech about all the so-called wonderful things this government has done, in her opinion. I'm asking her about some of those opinions. Is she then saying to me that she is not prepared to elaborate or give a clarification about anything she said in her speech, other than the minute or minute and a half she actually spent in comparing the Premier's budget to the budget of the previous Premier?

Is that what you're saying, Madam?

**Ms Mushinski:** I don't know how many ways one can describe a box, Mr Chairman. You mentioned latitude, and I agree with you. I believe that you have, with respect, allowed significant latitude for all three parties represented here today. However, that latitude does not extend to the detail of other ministries' budgets. We are here today, I thought, to consider the Premier's estimates and I'm perfectly prepared to answer questions pertaining to those details. I'm not equipped to answer questions pertaining to the details of the other ministries' estimates.

**Mr Parker:** Mr Chairman, if I can assist. You weren't the Chair, and I don't think you were present last week, when Ms Pupatello, on behalf of the opposition party, embarked on a rant touching on every last aspect and



allegation as to the performance of this government over the past three-plus years.

**Mr Gerretsen:** With all due respect, Mr Parker is taking my time.

**Mr Parker:** There was no stone left unturned after Ms Pupatello had delivered her remarks. Mrs Mushinski, in her reply period, has responded to some of the remarks that Ms Pupatello made.

**Mr Gerretsen:** Right, Mr Parker, and I'm trying to elicit some clarification of some of the remarks that she made here today.

**Mr Parker:** I suggest that we close that discussion now and confine future discussion before this committee to the estimates that are before us. It was not Mrs Mushinski who opened up the discussion to those other subjects.

**Mr Gerretsen:** She gave some responses to presumably some allegations that Mrs Pupatello made. Those responses she gave today —

**The Vice-Chair:** Just a second.

**Mr Parker:** It's okay, John, I don't mind being interrupted.

1650

**The Vice-Chair:** Mr Parker, the reality is this is accomplishing absolutely nothing. It's wasting an abundant amount of time. I suggest your clarification is well noted. Mrs Mushinski said it. Mr Gerretsen has the floor to ask questions, so would you ask questions, Mr Gerretsen.

**Mr Gerretsen:** I maintain, Mr Chair —

**The Vice-Chair:** I knew you were going to maintain it.

**Mr Gerretsen:** — that for 18 minutes or so, Mrs Mushinski has talked about everything but the actual budget items as contained in the Premier's budget. I'm asking for clarification of some of the statements that she made. If it is the position of the members of the government that I'm not entitled to ask those questions, then I think they are just trying to muzzle this committee, which is just another —

**Mr Parker:** I would never try to muzzle you, John.

**Mr Wettlaufer:** It's just a matter of fact that you can't ask an intelligent question dealing with the Premier's office.

**Mr Gerretsen:** The next question I have is — this also comes off the Premier's office's own Web site — he says that we have created a healthier Ontario and it included the recruiting of 40 physicians to practise in underserved areas in 1997-98. Could you tell me how much money has actually been set aside in the budget of the province to recruit those 40 physicians?

**Ms Mushinski:** I hark back, if I may, to my previous response. Again, this is a very detailed question. It pertains to another ministry's budget. The estimates of that particular ministry were completed on June 28 this year, I believe I said. I do not have those details. I would suggest that Mr Gerretsen perhaps — is it Gerretsen or Jerretsen?

**Mr Gerretsen:** You call me whatever you like as long as you don't abuse me in one way or another.

**Ms Mushinski:** I don't want to mispronounce your name.

**Mr Gerretsen:** I don't care. Madam, you made a speech here for 18 minutes, based on complete generalities. I'm asking you about some of those generalities. You didn't have the courtesy to give us a copy of your speech so I could quote you back verbatim. I am just testing you on some of the general statements you made, and you refuse to respond to them.

**Ms Mushinski:** Mr Chairman, again I would suggest that they were not generalities. They were specific details that were being requested to a specific estimates budget.

**Mr Gerretsen:** So I ask you once again —

**Ms Mushinski:** I would suggest, with respect, Mr Chairman, that I do not have the details pertaining to those particular budgets.

**Mr Gerretsen:** All right. But then I'm not even interested in the details. Tell me in a general way. You said that this government believes in excellence in health care and is spending more money than any other government. I'm asking you very specifically how you are putting patients first or how you can say that you're making the health care system better when you're closing 36 hospitals. Can you answer that or not?

**Ms Mushinski:** Let me tell you what spending has taken place in the Premier's office.

**Mr Parker:** Mr Chairman, on a point of order: I suppose I'm looking for a ruling from you. I appreciate your comment earlier that some latitude is to be expected in this committee. I understand that and I agree. But we have here before us the parliamentary assistant to the Premier, briefed and prepared to discuss the estimates of the Premier's office. Mrs Pupatello last week embarked on a discussion on other matters. Today the parliamentary assistant responded to the points made by Mrs Pupatello last week. Now Mr Gerretsen is trying to turn this into a further inquiry into the estimates of the health ministry. We've done the health ministry. We've closed the book on the health ministry. The health ministry estimates have been approved, they've been passed, they're done, it's history. We are here to discuss the estimates of the Premier's —

**Mr Gerretsen:** Mr Chair, Mr Parker is taking my time.

**Mr Parker:** You can have some of my time.

**Mr Gerretsen:** Thank you.

**Mr Parker:** We are here to discuss the estimates of the Premier's office. I'm looking for a ruling from you, Mr Chairman, as to whether detailed questions on estimates from the health ministry have any place before this committee right now.

**The Vice-Chair:** Can you, Mr Gerretsen — I think there is latitude to ask those types of questions — try to tie it or frame it into the budget of the Premier's office?

**Mr Gerretsen:** The Premier is responsible for everything that happens in this operation, I assumed. Certainly it sounded that way from what Mrs Mushinski was saying. For 18 minutes she was singing the praises of this government and everything that this government and Premier have done. I, for the life of me, cannot understand why she cannot give me one specific reason as to why and how the

closing of 36 hospitals is going to improve the health care in this province.

**The Vice-Chair:** The reality is I think she's answered it the way she's going to answer it. Is there another question?

**Mr Gerretsen:** Which unfortunately was a non-answer, a total non-answer.

The other question that I have, then, which I just asked a few minutes ago, is this: The Premier talks about recruiting 40 physicians to practise in underserved areas in 1997 and 1998. It's a statement that the Premier makes on his Web site. Can you tell me how much money you have budgeted for these 40 recruitments that you're seeking in the underserved areas? How much money have you budgeted for that?

**The Vice-Chair:** The reality is she has answered that question. She doesn't have that information. That's exactly —

**Mr Gerretsen:** Will you get me that information?

**Ms Mushinski:** I'd be perfectly willing to describe what our Web site is. It's a tool that was designed to communicate —

**Mr Gerretsen:** I use it frequently.

**Ms Mushinski:** — and to dialogue with Ontarians. The Premier's office is there to assist the Premier in engaging in dialogue with Ontarians. As I said, if you would like me to repeat what I said last week, many people have already joined in that dialogue about Ontario's future. I'm sure that Mr Gerretsen, like many members within this room, will avail himself of the tools of technology to communicate with his constituents. That's the full purpose of the Web site.

**The Vice-Chair:** Mr Gerretsen, your time is up.

**Mr Gerretsen:** My time is up? I didn't get one answer.

**The Vice-Chair:** Your time is up, and we'll move to the third party.

**Mr Parker:** You can have 30 seconds of my time.

**Mr Bisson:** I'm doing a little bit of addition here on the sly as we move along. First of all, I have 20 minutes. I want to take a few minutes to respond to a couple of things said by the parliamentary assistant. I agree with the critic from the Liberal Party from Kingston that we've been subjected to one of the most political responses I've heard from a Premier's office in the time that I've been here. I'm not saying there haven't been other political responses by parliamentary assistants or ministers here before, but this was extremely political. I've got to tell you, it takes a lot of gall for the parliamentary assistant to come in and utilize some of the examples that she used or stories that she tried to tell us here at committee.

She talked about property tax reform and how we, as members, "would be extremely pleased, I'm sure," as she said, that the Minister of Finance announced last week that he's going to be freezing property taxes at a rate of 10% this year and 5% in each of the years thereafter. Well, I'm sorry. There's something you forgot to mention: The freeze is to protect businesses from the Tory government. It's your assessment system that created this

problem. You are, by way of legislation, nullifying the job that you did in changing the assessment system in the province. If you hadn't mucked around with it in the first place, we wouldn't have ended up with this problem.

We all know what happened: Your government went out and imposed on the rest of Ontario this new assessment system because of your problem in trying to deal politically with the assessment system here in the city of Toronto.

I think of the conversations that I've had with the business community in the city of Timmins and in Kapuskasing and Hearst. I can tell you I've not had one, I've not had five, I've not had 10, I've had close to probably about 50 inquiries from local businesses throughout my riding and Len Wood's riding about how upset they were at what their property tax increases were going to be because of the actions of this government, not because of what municipalities did, but what you did when you changed the assessment system.

I welcome what the minister did on Friday to freeze the taxes by way of legislation, because what that legislation does is protect the business community from the Tory government. Anything you guys can do to protect us from you, I'm in favour of. I think that was a very interesting spin on what was a very bad initiative from this government.

How many pieces of legislation has this government brought in over the last three years to fix a problem that they created in the assessment system? This government is totally incompetent when it comes to the question of how to deal with assessment here in Ontario. They didn't bring in one bill. How many bills are we into? We're up to seven. This is the seventh bill that the government brought in to fix the fiasco that your Premier caused when it comes to assessment in this province. You come here and tout that as something that's positive? You guys can't even shoot straight. But thank God you protected us from you, which I think is a good idea.

1700

Then the parliamentary assistant comes in here, again with great fanfare, and talks to us about emergency room expenditures, about how the Premier did his job the other week and he brought a cheque to a hospital. I'm telling you, it is absolutely amazing. Why did the Premier go out? Because the opposition parties, the New Democrats and Liberals, raised this issue for a period of six to seven months. Finally, the media decided to put you under a little bit of fire when it came to some nasty stories that appeared in the Toronto Star and the Sun and the Globe and Mail over a particular weekend. Then your Premier finally woke up to his incompetence and finally whipped some people into shape, into cutting a cheque and trying to get some of that money you had announced previously into the hospitals.

Don't talk to me about how great you are. You guys are incompetent. You made those announcements a long time ago and you haven't spent any of the money. Long-term care — the chutzpah. She comes in here and talks about long-term care, about what a great thing your government



has done. There have been reforms of the long-term-care system dating back to the Peterson government. In fact, the reforms in long-term care, in credit to the Liberal Party, started under the Liberal government under David Peterson, because even he understood that what the Tories had set up in Ontario when it came to long-term-care services was a fragmented system of charity homes, municipal homes, private homes and homes run by the province.

We started recognizing that was not an efficient way of doing it. The Liberals started the process under David Peterson. It was accelerated under the Bob Rae government. There was a whole change and redirection in long-term care that was introduced in 1992 by then-Minister Lankin. Then, further to that, there was also a huge investment and huge change when it came to investment in long-term-care services in the community.

You talk about a lot of chutzpah — coming in here talking about emergency room expenditures, this from a government that's shut down over 30 hospitals in the province over its term of government. They come in here and try to tell me they're concerned about health care. I'm telling you, this is a bit hard to take.

Then, the best one was the comment about how the Tories are really the party of the middle class. What crap. The middle class has taken a hit from you on all sides. The middle class is about making sure that we have rules and laws that allow us to participate in this economy. One of the first things your government did after coming into power was to gut the Labour Relations Act, the very act that is there to give workers some ability to negotiate fair collective agreements with their employers and the ability to organize into unions so that they're able to go in and negotiate those collective agreements, so don't come in here and start telling me about how you are the party of the middle class.

We have seen in reports tabled last week in this province that the standard of living within the middle class has actually decreased over the time of the Tory government, so I find the comments of the parliamentary assistant somewhat interesting, to say the least.

How much time do I have, Chair? I want to give her an opportunity to put her foot in her mouth — I mean respond to what I have said.

**The Vice-Chair:** You have another 12 minutes.

**Mr Bisson:** Would you like to respond?

**Ms Mushinski:** I think I need to repeat that my submission this afternoon should really be put within the context of responding to many of the allegations that came out of my submission on estimates last week. I can certainly talk about the property tax system as being one that is a fair tax system, one that applies to all Ontarians across this great province of ours, and one that the Premier has spoken to in response to listening to Ontarians, in response to providing better government, a more clear and accountable government, and one that ensures the deliverance of quality service.

In terms of the long-term care, I realize that the member perhaps wants to ask me some more questions, but I

really do have to go back to the core context of my speech, Mr Chair.

It was necessary to invest in the expansion of the long-term-care system because the Liberal government froze any long-term beds in 1988. The fact is, it was the David Peterson government that did not add one long-term-care bed to the needs of our aging population in 1988.

**Mr Bisson:** Thank you very much for your answer, Madam Parliamentary Assistant. That was most enlightening.

I have a question for you and it's a very simple one. If you wouldn't mind taking out your estimates book and looking at page 5 under Office of the Premier, we look at a little line there that says, "Premier's salary, \$61,860." We know that \$61,860 is not —

**Mr Gerretsen:** He should make more. That's not enough. That's less than a member.

**Mr Bisson:** Let's follow this very closely. I want to make sure I understand this. Do you have the page, page 5?

**Ms Mushinski:** I do.

**Mr Bisson:** We note that it says on that particular line that the salary of the Premier is \$61,860. We know that's in addition to the \$87,000-whatever that all members of this assembly —

**Mr Gerretsen:** It's \$78,000.

**Mr Bisson:** How much is it? It's \$78,000. I'm just looking at my —

**Ms Mushinski:** He thinks it's \$87,000.

**Mr Bisson:** I've got to tell you something. It feels like more money than I have ever made before, so I'm very happy to be here.

**Ms Mushinski:** All those tax cuts have put more money in your pocket. That's why.

**Mr Bisson:** I want to make a point about the tax cut later, but I just want to look at this number. We know that the Premier, according to the estimates, is asking for an additional salary of \$61,860. Am I correct?

**Ms Mushinski:** Would you repeat the question, please?

**Mr Bisson:** We know that the Premier, as all members of the assembly here, makes about \$78,000 base salary as a member, and we look at the Premier's salary and it says \$61,860. I take it that's the Premier's stipend in addition to his regular salary.

**Ms Mushinski:** That's the Premier's salary as determined by legislation.

**Mr Bisson:** That's right. So he makes the \$78,000 plus the \$61,860, for a total of \$139,860. Am I correct? If you can add that up really quickly, it's \$139,860, right? I want you to take out a pen and add up these numbers with me. I want to compare what the salary of David Peterson was and what the salary of Bob Rae was. Members at that time enjoyed a top salary of — write this down — \$42,752. In addition to this —

**Ms Mushinski:** Mr Chairman —

**Mr Bisson:** These are questions related to the estimates. They're very much directed —

**The Vice-Chair:** You're in order.



**Mr Bisson:** I'd like you to add up these numbers with me. There was \$42,752, which was the base salary of all members, plus all members of the assembly got a tax-free allowance of \$14,431. The stipend for the Premier back then was \$44,675, and on top of that the Premier got tax-free \$8,431, for a total of \$110,299.

I want to know from the parliamentary assistant if she feels this is fair.

**Mr Gerretsen:** Is the Premier getting enough money?

**Mr Bisson:** Is he getting enough money?

**Ms Mushinski:** I think again this needs to be put within the context of the MPPs' total compensation package, because we have to go back to what the reforms were that occurred.

**Mr Bisson:** That's not what I asked. I asked, do you think this is fair? That's all I wanted to know.

**The Vice-Chair:** Please allow her to answer, Mr Bisson.

1710

**Ms Mushinski:** The reforms eliminated MPPs' tax-free allowances, which Mr Bisson referred to. The reforms eliminated perks and the gold-plated pension plan, and reduced MPPs' salaries by 5%. Effective the next election, the size of the Legislature will be smaller as the number of MPPs will drop from 130 to 103. MPPs are now paying taxes and contributing to education, health care and infrastructure, just like all other Ontarians. The reason Mr Bisson felt that he's actually earning more is probably because he got a tax cut too. Taxpayers now know what MPPs make, because the reforms made MPPs' salaries clear and understandable, just as our accounting systems and reporting procedures for the estimates are clear and understandable.

Prior to the reforms, and I think this is important, MPPs' total compensation before the social contract was valued at \$98,739. MPPs were paid a sessional indemnity of \$44,675 and received a tax-free allowance of \$14,984 and an average tax-free committee allowance of \$2,000, as well as per diem payments for committee work. In addition, MPPs received other taxable benefits, including life and group insurance and severance benefits.

Post-reform total compensation, which includes cash compensation, RRSP-type contributions, as well as severance allowance, group insurance and life insurance, is now \$88,865 per annum. The annual cash salary now received is \$78,007, which is fully taxable. MPPs are now paid a straight salary just like ordinary Ontarians, and that includes the Premier, of course. Taken together, all of these reforms not only ensure that the government is more accountable to the people of Ontario but they also save taxpayers' money. So in response to your question with respect to the Premier, he's exactly the same as everyone else in terms of the compensation package.

**Mr Bisson:** I'm afraid I don't agree, because all I know is, when I look at my total paycheck now as compared to my total paycheck before you did this scam, I make more money. I have a bit of a hard time trying to square off how the people of the province should have to pay the Premier more money than I think he's worth.

The second question I would ask you is, can you tell us how much the cash payout was to Mike Harris when his pension was wound up from a gold-plated to a platinum-plated pension? Can you tell me that? I'd like to know how much it is.

**Ms Mushinski:** Mr Chairman, that is not a matter that is contained within the estimates and I do not have that information.

**Mr Bisson:** I believe that it is, Mr Chair, and I'll tell you why. The pensions, as you know, under the old system were based on total amount of money you made as a member, so if you made a base of \$44,000 and you got a stipend on top of that for being the Premier in the past of \$44,000, that money was factored into what your pension would be once you retired from this place. Taxpayers' dollars went to winding down the gold-plated pensions, as you put it, here in the province, and I'm just curious in knowing how much money the Premier got when he wound up his pension.

**Ms Mushinski:** Again, Mr Chairman, as I said, my understanding is that the pension payout was never a part of the estimates under the Premier's office. I do not have that information.

**Mr Bisson:** Mr Chair, I would differ strongly, because as I just explained, the then \$44,000 that went to the Premier, in the former case under Bob Rae and partly to Mike Harris when he first got here, was part of what you calculated for a member's pension. I think it's a fair question. We know that Mike Harris touted scrapping the gold-plated pension, and I would assume that being a member of long standing in the Legislature he would have done well. I'm just curious, as a member who did not serve in here very long vis-à-vis the pension, what his payout would be. I'd like to compare it to my particular windup of the pension plan.

**Interjection:** About \$850,000.

**Mr Bisson:** About \$850,000, you figure?

**Ms Mushinski:** Mr Chairman, again I don't have the particular details. I can talk a little bit about the overall pension plan. I don't have the details pertaining to any particular or individual member.

**Mr Bisson:** Can I ask this question —

**Ms Mushinski:** I can say that the annual cost —

**The Vice-Chair:** Mr Bisson, your time is up. You may want to revisit it a little later on.

**Mr Bisson:** I'm just curious if he's going to announce that in the next election.

**The Chair:** Mr Pettit.

**Mr Pettit:** Thank you, Mrs Mushinski. I want to assure you that I'm going to try as hard as I can not to be as harsh on you as the opposition members were. I'm going to try and discuss some more substantive issues that I know will be of interest to my constituents in Hamilton Mountain.

As you know from your previous post, we had many long discussions about voluntarism. Voluntarism plays a large role certainly in Hamilton Mountain and adds to the vitality of the community, which arguably makes it not

only the most panoramic place in Ontario but the best place to live.

You mentioned earlier, I think last week, about the Premier hosting the round table meeting on voluntary action earlier this month. Can you tell us in a little more detail what that initiative is all about?

**Ms Mushinski:** I'd be happy to. As some of my colleagues I'm sure are aware, there was extensive consultation across the province. The advisory board on the voluntary sector that was established by the Premier's first parliamentary assistant, my colleague and good friend Julia Munro, recommended a number of initiatives, and one of those was that there be a place at the table for the voluntary sector along with the private sector, business and government.

In response to this recommendation, the Premier invited leaders from a wide section of the voluntary sector and from the business sector to join with representatives of our government, including myself, to come together to develop a plan of action which we wanted to see actually strengthen community development, and especially to strengthen voluntarism in Ontario's communities.

The theme of the first round table meeting was strengthening communities, as I've suggested. We believe the round table was particularly successful in bringing together a diverse group of Ontarians from all across Ontario, leaders in their communities, and they are people who really care deeply about the communities we live in. The agenda at the meeting included three topics of discussion: strengthening the volunteer spirit, developing new partnerships between the sectors, and learning through volunteering. That really was the overall round table meeting discussion several week ago.

**Mr Pettit:** What is it, though, that you hope to achieve with the round table? Where do we go from here with it? In particular, what will your role be?

**Ms Mushinski:** My role as the parliamentary assistant to the Premier responsible for voluntary action in Ontario is really to bring together, to coordinate —

**Mr Gerretsen:** On a point of order, Mr Chair: I don't see any reference to the round table in the Office of the Premier's estimates, so I'm wondering why we're dealing with this matter in light of the earlier questions.

**The Vice-Chair:** The reality is, Mr Gerretsen, it's very much in order, that question.

**Mr Gerretsen:** But there's absolutely no reference to this.

**Mr Pettit:** No, it was in her statement.

**The Vice-Chair:** Continue.

**Mr Pettit:** Thank you, Chair. That's very understanding.

**The Vice-Chair:** Go ahead, Mrs Mushinski.

1720

**Ms Mushinski:** Thank you, Mr Chairman.

As I mentioned earlier, the round table is intended to bring together representatives from the voluntary sector, the private sector and the government to create a plan of action to strengthen voluntarism. The Premier has given me the lead on those particular responsibilities. The work

of the round table will continue throughout the year until its next annual meeting, because the round table will be meeting annually.

We're currently in the process of establishing an executive committee — "leadership group" is probably a better term — and we anticipate that there will be representatives from the three or four sectors that I've mentioned, all of whom are members of the steering committee of the round table. I, as I had suggested, as the parliamentary assistant will act as the government representative on this committee. The leadership group we see as really driving the work of the round table, participating in community conferences, regional conferences, that we'll be setting up later this year and early next year around the province, and ensuring that the round table is accountable by doing such things as creating an annual report.

**Mr Pettit:** You mentioned community conferences. I know that's something that would probably be of interest to a lot of people certainly in Hamilton Mountain, and I'm sure Mr Maves would attest in Niagara Falls too, because I know they're big on voluntarism there, as an example.

**Mr Bart Maves (Niagara Falls):** Huge.

**Mr Parker:** And in East York.

**Mr Pettit:** And in East York too, and I'm sure in Wentworth East.

**Mr Wettlaufer:** And Kitchener.

**Mr Pettit:** And Kitchener.

Could you tell us a little bit more about these conferences?

*Interjection.*

**Mr Maves:** Kingston's not bad.

**Ms Mushinski:** I was in Kingston, actually, at one of the volunteer recognition events. Very nice community.

**Mr Gerretsen:** I hope you enjoyed yourself there.

**Ms Mushinski:** I did, very much.

**Mr Pettit:** How much time do we have, Chair?

**Ms Mushinski:** You wanted me to expand, I take it, a little further on the community conferences. It's worth explaining because, while it hasn't actually been determined how many or where these conferences will take place at this time, I think it's important that we continue to receive the advice from all of the three sectors on how we can better work in partnership to strengthen voluntary action in Ontario. I'm sure there isn't a person in this room who would disagree with that.

The conferences are being planned around the volunteer service awards, so yes, we'll probably be in Kingston next year. I'll be participating in this process, in the tour, during the late winter and early spring of the coming year.

While the advisory board on the voluntary sector mentioned earlier did conduct a consultation to identify the major issues facing volunteers and voluntary organizations, what we really need to do is to now work together to identify solutions. Given the enormity and the diversity of the voluntary sector — because it takes in every sector, health and education and sports and recreation; in fact, there are 64,000 not-for-profit or non-profit organizations in Ontario, and one in three Ontarians actually volunteers — I think it's important that we do obtain advice from the



many Ontarians who volunteer and who care about these issues.

**Mr Pettit:** That's good. I'd like to get away from that for a moment and go to the Ontario public service awards. You made some comments earlier regarding the Ontario public service awards. What can you tell us about those awards?

**Ms Mushinski:** On September 10, 1998, Premier Harris announced the Ontario public service had won the top honour among Commonwealth nations at a major public administration and management conference in Malaysia.

**Mr Gerretsen:** I think that's great. I'm all for public service.

**Ms Mushinski:** I take it that's what you're referring to. Actually, the award comes from the Commonwealth Association for Public Administration and Management, which is CAPAM for short. It's a non-profit organization with 53 member countries. CAPAM's aim is to enhance Commonwealth co-operation, improve management in governments and promote best practices in public services. The 1998 theme of the award was service to the public, emphasizing the need for governments and other public agencies to provide quality services at reasonable cost. Out of the 21 submissions, the jury of internationally recognized experts in public services selected Ontario for the gold award in the category of innovation and public administration and management. Ontario was competing against national-level public service organizations from countries including Australia, the United Kingdom and our own federal government. I should say as an aside to the committee that the federal government won a bronze prize.

**Mr Pettit:** I was very pleased to hear the member for Kingston and The Islands applaud the Premier for establishing these awards. That's highly unlike him.

**Mr Gerretsen:** On a point of order, Chair: I do not want to be misquoted. I specifically said I applaud the Ontario public service for receiving a gold metal.

**The Vice-Chair:** Noted.

**Mr Pettit:** Ms Mushinski, I think you called it the Commonwealth Association for Public Administration and Management.

**Ms Mushinski:** Yes, that's correct.

**Mr Pettit:** What's the history of that organization? What can you tell us about it and the work that they do?

**Ms Mushinski:** Its aim, as I suggested, is to enhance Commonwealth co-operation, improve management in governments and promote best practices in public services. Unfortunately, I don't know a great deal about the organization or the work that it does. It's a bit of a shame, because my understanding is that we should hear more about these good-news stories. This is a very important award and I don't think we hear enough about these things.

As I understand it, there is a gentleman by the name of Mr Art Daniels, who's the assistant deputy minister of the Ontario Public Service Restructuring Secretariat, and apparently he knows what this award is all about and exactly why we won it.

**Mr Pettit:** Is it Mr Daniels, you say?

**Ms Mushinski:** Yes, Mr Art Daniels.

**Mr Pettit:** I wonder if it would be worthwhile to have him come before the committee and maybe he can answer some questions. Would you be opposed to that?

**Ms Mushinski:** We'd be happy to arrange that.

**Mr Gerretsen:** Only if it has something to do with the Premier's office.

**Ms Mushinski:** It really does; it has everything to do with the Premier.

**Mr Pettit:** Maybe it would be a good idea to have him come in. Can I make a motion to have him come in?

**The Vice-Chair:** I don't know that you need a motion. The parliamentary assistant and the deputy minister can bring in whomever they want as part of this.

**Mr Pettit:** If you could bring Mr Daniels, how soon could he come? Could he come as early as tomorrow maybe?

**Ms Mushinski:** Yes, we could get him here tomorrow.

**Mr Pettit:** I think that would be a great idea. He could certainly enlighten us a little bit more on this. Do we still have a bit more time?

**The Vice-Chair:** You have another three minutes.

**Mr Mushinski:** If I may, Mr Chairman, I would suggest that he perhaps make a presentation to give you the overall context of CAPAM.

**The Vice-Chair:** He can give you a presentation during the government's time.

**Mr Pettit:** Maybe you can tell us a bit about some of the customer service concepts that the Ontario public service has adopted, or at least review them for us.

1730

**Ms Mushinski:** Is this within the context of the public service award?

**Mr Pettit:** I guess it could be. If you have any information about some of the concepts they've adopted, we'd be interested in hearing them.

**Ms Mushinski:** My understanding is that Ontario was actually lauded for its success in offering one-window services to the public. One of those is the Ontario Business Connects and another is the Service Ontario electronic information kiosks.

Service Ontario is the government's one-window shopping. It's a window that is now open to Ontarians seven days a week. Throughout the past decade, people have been asking for easier access to government services such as making address changes to health insurance cards and renewing their automobile licences, and even making parking fine payments. For the past few years, the government has been testing the advantages of self-serve electronic kiosks. They're really like automatic banking machines or bank tellers.

**Mr Pettit:** They've been very well received.

**Ms Mushinski:** They have seven-day-a-week, 24-hour-a-day access and easy-to-find locations. Many of them are in high-traffic public areas like shopping malls. A few years ago, the government began to place these kiosks in a few locations really to serve as pilot projects. The projects turned out to be a huge success and the government then decided to partner with IBM — selected



through a competitive tender, I might add — to develop, finance, deliver and operate an expanded set of service kiosks by January 1996. The first kiosk was successfully launched featuring touch-screen activation, credit card payments and product and receipt dispensing.

There are now Service Ontario kiosks in over 60 locations. Services are available to the public seven days a week, with 24-hour service in some locations. I'm pleased to say that in the near future, birth certificates and health insurance cards with photo identification are some of the services that the public can expect to see from a delivery initiative that offers speed, simplicity and remote accessibility.

Another key public service innovation is especially appropriate to mention today since, as I was saying, this is the second week of the Ontario government's salute to small business. As any of you who have started a small business should know, part of the process of setting up and running a small business involves registering with the government, and this includes taking care of activities like business name searches, retail sales tax registration, workplace safety and insurance board registration. Until recently, unfortunately, Ontario's hundreds of thousands of entrepreneurs have had to leap over many hurdles to get these simple tasks done. They've had to unravel red tape — and we hate that word around here — and race from government office to government office and incur a variety of significantly steep costs, all just to meet the government's legislative and regulatory requirements. I'm pleased to say that those days are over, thanks to Ontario Business Connects.

**The Vice-Chair:** We'll move over to the official opposition.

**Mr John C. Cleary (Cornwall):** The parliamentary assistant has been saying it's small business week and how great it is, and protect small business — 10% this year, 5% the following two years. I was at a meeting the other night with the tax increases where you couldn't even get into the parking lot. Now that it's been limited to 10%, 5% and 5%, where are the municipalities going to get the balance of the money to run their administrations over the next three years?

**Mr Parker:** You want higher tax increases?

**Mr Cleary:** I'm asking her the question.

**Mr Pettit:** That's not what my relatives in Cornwall and Long Sault tell me, John.

**Ms Mushinski:** Was he talking about this parking lot?

**The Vice-Chair:** No, he was talking about tax increases. Do you want to repeat the question?

**Mr Cleary:** You have been saying that for small business it will be 10% this year and 5% each of the following years over a three-year period.

**Ms Mushinski:** Oh, you're talking about assessment.

**Mr Cleary:** Tax increases. I'm saying tax bills are out. Municipalities know how much it's going to cost to operate their business of running the municipality, which I'm very familiar with because I was there for 15 years before I came here. I'm just wondering where they're going to get the extra revenue to run the municipality.

**Ms Mushinski:** Again, it's getting into the specifics of the legislation. My understanding is that it's going to be cost-neutral. However, I will take the question under advisement and get a more definitive response for the member the next time.

**The Vice-Chair:** You will table that with the committee?

**Ms Mushinski:** Yes.

**Mr Parker:** He wants them to be able to raise taxes more than 10%.

**Mr Cleary:** Look, Mr Parker, I have never said I wanted them to do that.

**The Vice-Chair:** Go ahead, Mr Cleary. She's going to table a report.

**Mr Cleary:** The other thing I want to know is, you mentioned the health care system and all of the 40 new physicians who are coming. In a particular instance, this lady had worked in a bank all her life; 55 years old probably and never cost the system a nickel. She couldn't get a physician in Ontario to solve the problems that she had. She had to go to the States and asked to go to the States. It was \$15,000 over there. She thought that was too much. She went to the province of Quebec and they said they would do the operation for \$1,500, yet the health care system in Ontario gave her all kinds of problems about paying for that operation. They finally agreed the night before the operation was to take place. You mentioned about all the good things. I'd just like you to comment on that.

**Ms Mushinski:** Thank you for the question. This is a fairly detailed question pertaining to specific circumstances to which I do not have the information at my fingertips. Certainly I am willing to take the question under advisement and will attempt to get you a response.

**Mr Cleary:** Another question I have is, where does the money come from to pay for all these signs that have, "Premier Mike Harris: Your tax dollars at work," along the provincial highways? Where does that money come from and how much is that?

**Mr Parker:** The same place the money came from that paid for the signs that your government put up for highway projects.

**Ms Mushinski:** That is a question that perhaps should be more readily addressed to the Ministry of Transportation estimates. I believe those estimates are going to be considered by the estimates committee shortly and perhaps that should be asked at that time because it is a Ministry of Transportation estimate.

**Mr Cleary:** It's got, "Premier Mike Harris" on it. I thought that comes out of the Premier's office.

**Ms Mushinski:** If I may respond, there is no money within the estimates that are in front of this committee for road signs.

**Mr Cleary:** What a bunch of crap. I don't know whether I should go on or not.

**The Vice-Chair:** Please do.

**Mr Cleary:** The other thing is, we see all these newsletters, all these advertisements, whether they be on TV, whether they be in glossy brochures, and they've all got

Mike Harris's name on them. Where does that money come from? What budget does that show up in?

**1740**

**Ms Mushinski:** Each ministry, of course, is responsible for its own communications budget. Again, I will tell you that the expenses pertaining to the Premier's office's estimates deal with responding to listening to Ontarians, obviously communicating that we are cost-conscious, that we're moving towards balancing the budget, that we're cutting taxes; we're doing the things that we said we were going to do. Part of that is communicating with Ontarians. There has been a consultation process that has taken place. Clearly, all of these are contained within the estimates of the Premier's budget.

As I have said, though, with respect to each ministry's communications program, they are contained within their estimates. If Mr Cleary has a particular ministry that he's interested in, depending on whether the estimates have been dealt with or not, perhaps that's the time when he should be addressing those questions.

**Mr Cleary:** We have asked some of the ministries already but we didn't get answers.

Another thing is, you made campaign promises and all this, but there was another campaign promise, "It is not my intention to close hospitals." This is Mike Harris. I want to just mention a few things, what the commission has done in our part of eastern Ontario and what members of that commission have said. They're closing one of the two local hospitals, and one of the commissioners said we'll probably need another new hospital by the year 2005. The hospital that they're closing has got all kinds of land to build a hospital on; the one that they're keeping open has no land. This is Premier Mike Harris. He said he was not going to close any hospitals. We're pretty close to the Premier's office here.

**Ms Mushinski:** Again, those or similar questions were asked by the member for Kingston and The Islands, I believe. As I suggested in my previous response, they are questions pertaining to the details of a specific budget under the Ministry of Health. My understanding is that those estimates were dealt with on June 29 and perhaps any questions pertaining to those estimates should be referred to that particular Hansard.

**Mr Cleary:** We have tried, but everything that I've mentioned had Mike Harris's name attached to it.

The other thing that's very upsetting is, when they were making decisions on hospitals, they wouldn't even use the consultants who had built the hospital; they brought in their own consultants to give advice. This has been bothering me and I've been trying to get answers. I can't get any answers. I thought since we're reviewing the Premier's office that maybe we could get answers.

**The Vice-Chair:** Mr Cleary, are you finished?

**Mr Cleary:** OK, go ahead. I didn't get an answer.

**Mr Gerretsen:** Do you have an answer to that?

**Ms Mushinski:** I think that was a statement more than a question.

**Mr Cleary:** It is a question about the consultants.

**Ms Mushinski:** I can certainly repeat what I've been saying. The statement actually did allude to specific details that are not in front of me in terms of the Premier's estimates and I would suggest that they perhaps belong to the Ministry of Health estimates.

**Mr Gerretsen:** How much time do I have left?

**The Vice-Chair:** You have seven minutes.

**Mr Gerretsen:** Let me ask you this. On page 5 of the Office of the Premier it says, "Parliamentary assistant's salary, the Executive Council Act: \$11,155." Do you think that's enough money for your parliamentary assistant's duties?

**Ms Mushinski:** My understanding is that that's been determined by legislation.

**Mr Gerretsen:** I realize that, but do you think that's enough, or do you think you ought to be paid more? You've got a very responsible job, from what you've just been telling us here this afternoon.

**Ms Mushinski:** Again, I believe that we're a cost-conscious government that listens to Ontarians.

**Mr Gerretsen:** I didn't ask you that. Do you think that's enough money for your job or do you think you should be paid more?

**Ms Mushinski:** We're doing far more with less and we're a better government because of that. Hopefully that, Mr Chairman, will answer his question.

**Mr Gerretsen:** So you're not going to answer as to whether or not you, Marilyn Mushinski, member for Scarborough-Ellesmere, think that's enough money or maybe too much money.

**Ms Mushinski:** We, as a government, have established policy procedures, including MPP compensation, based upon our responses to listening to Ontarians. Ontarians have told us repeatedly that they want their government to be cost-conscious. They want their government to act responsibly, to balance the budget, to cut taxes and to deliver quality services with smaller government. In answer to Mr Gerretsen's question, absolutely, I believe everything that my government is doing reflects responsibility and accountability.

**Mr Gerretsen:** It's very interesting that you won't answer any questions from any of the members of the opposition, to a very direct question, and yet you will answer everything that the government has asked.

I'm referring to one other item in your speech today, and I think I wrote this down correctly. You somehow seem to blame the federal government for cutting \$2 billion from the health and social services grant.

**Ms Mushinski:** It's not blame, it's a fact.

**Mr Gerretsen:** I agree it's a fact. Are you saying, then, that if they had not cut it and you had the \$2 billion, you would be spending that on more health care services? Why are you making that statement other than the fact that the feds have cut the province off by \$2 billion in that area? Are you saying you would be spending that money in health care because we're not spending enough there? Why are you making that statement over and over again?

**Ms Mushinski:** I think that's obviously a very hypothetical question. Now that the federal government has



balanced its budget, it will be interesting to see where any surpluses might go, perhaps restoring the money that's been lost to health care.

**Mr Gerretsen:** Are you saying that if you got this money you would put it into health care? Is that what you're saying?

**Ms Mushinski:** It would be interesting to know what the finance minister of the federal government will be doing with any surplus in the future.

**Mr Gerretsen:** My question to you, Ms Mushinski, is this: If you got the \$2 billion from the government that you say they've cut you off from — and it's a fact, they've lowered that amount of money — are you saying your government's going to spend it in health care? Remember, you're in a powerful position. You're the parliamentary assistant to the Premier. Are you going to spend it on health care? Yes or no?

**Ms Mushinski:** As I suggested, that is a very hypothetical question.

**Mr Parker:** It was an impossible question.

**Ms Mushinski:** Since fiscal policy is clearly under the purview of the Minister of Finance, I think it's perhaps one that should be referred to him.

**Mr Gerretsen:** But it was in your statement earlier today that you mentioned it. Are you saying that there should be \$2 billion more spent in health care right now than there actually is? Is that what you're saying?

**Ms Mushinski:** In my submission I spoke to the facts. I did not speak to hypothetical questions.

**The Vice-Chair:** Mr Gerretsen, you have about a minute and a half.

**Mr Gerretsen:** I'm assuming now from what you've said, and you're not the only person who said this, that if the province had had the \$2 billion you would have spent it on health care. Since you didn't have that money, could you answer why the government gave a \$5-billion tax cut, which is what it is right now at 30%, if, in effect, \$2 billion of that money was required for health care? Why wouldn't you give people just a \$3-billion tax cut instead of the \$5-billion tax cut if you needed that money for health care?

**Ms Mushinski:** Mr Chairman, the member has alluded to the fact that I made certain statements in my submission. What I said was in direct response to what Ms Papatello said.

**Mr Gerretsen:** Poor Ms Papatello gets blamed for so much when she isn't here to defend herself. I feel sorry for her.

**Ms Mushinski:** Ms Papatello clearly stated that our government has cut the budget in health care, and I said we have not cut the budget in health care. The only government that has cut money in health care is the federal Liberal government.

**Mr Gerretsen:** I'm asking you what you would have done with the money if you had gotten it. We could have paid the debt off quicker. We're still in debt in this province of \$115 billion.

*Interjections.*

**Mr Gerretsen:** Wait a minute now.

**The Vice-Chair:** You asked a question; allow her to answer it.

**Ms Mushinski:** As I have suggested to you, Mr Chairman, that is a matter of fiscal policy and should be referred to the Minister of Finance.

**Mr Gerretsen:** But you spoke about the fiscal policy in your speech.

**The Vice-Chair:** Unfortunately, Mr Gerretsen, your time is up.

**Mr Gerretsen:** You're doing this to me every time, Mr Chair.

**The Vice-Chair:** I apologize. Mrs Mushinski, I thank you for appearing before us today. We will see you tomorrow.

**Mr Pettit:** Mr Chair, if I may, I just want to clarify. Are we going to try and have Mr Daniels here for tomorrow?

**Ms Mushinski:** Yes, we'll have him here.

**The Vice-Chair:** Just for purposes of information for the staff here, who is this gentleman?

**Mr Pettit:** He's assistant deputy minister of the Ontario Public Service Restructuring Secretariat.

**Mr Gerretsen:** Could he maybe give us a handout on these gold-medal awards? The civil service ought to be applauded for that. I'm a great believer in applauding staff when they've done an excellent job. If we're number one in the world, we should be shouting that out.

**The Vice-Chair:** What a positive way to end a meeting. Meeting adjourned.

*The committee adjourned at 1752.*











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## Legislative Assembly of Ontario

Second Session, 36<sup>th</sup> Parliament

## Assemblée législative de l'Ontario

Deuxième session, 36<sup>e</sup> législature

# Official Report of Debates (Hansard)

Wednesday 28 October 1998

# Journal des débats (Hansard)

Mercredi 28 octobre 1998

## Standing committee on estimates

Office of the Premier

## Comité permanent des budgets des dépenses

Cabinet du premier ministre



Chair: Gerard Kennedy  
Clerk: Viktor Kaczkowski

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 28 October 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 28 octobre 1998

*The committee met at 1540 in committee room 2.*

## OFFICE OF THE PREMIER

**The Chair (Mr Gerard Kennedy):** We are ready to start. We are continuing the round of questioning which began yesterday. I'm just waiting for Ms Mushinski.

**Ms Marilyn Mushinski (Scarborough-Ellesmere):** Sorry, Mr Chair.

**The Chair:** We are, as you know continuing the round of questioning. We'll begin with the representative for the third party, Mr Bisson, please, 20 minutes.

**Mr Gilles Bisson (Cochrane South):** I would like to start with one of the issues you raised yesterday, Parliamentary Assistant, while you did your discourse here before this committee late yesterday afternoon. You took great pride in talking about the whole issue of the property taxation announcement that was made by Ernie Eves but a week ago this Friday. The question I want to ask you is, would you admit that the purpose of the response the finance minister had in introducing that legislation was to fix a problem that your government had first created in creating a new assessment system?

**Ms Mushinski:** This is a matter of the estimates of the Premier's office today. Yesterday I spoke in terms of my responses to what I consider to be the outrageous allegations of Mrs Papatello and I put those outrageous allegations into the context of my submissions on the Premier's estimates.

Having said that, I then responded in my statement to the Premier's estimates, or the estimates of the Premier's office. The question that has just been raised has nothing whatsoever to do with the estimates of the Premier's office. The statements that I made were in complete response to the outrageous allegations of Mrs Papatello.

With respect to the estimates coming from the Minister of Finance as they pertain to any of the services that he delivers, I would suggest that any questions pertaining to those estimates be referred to the Minister of Finance.

**The Chair:** Ms Mushinski, your opening comments were very broad in nature. They are in keeping with the practice at estimates in the sense of looking at the broad scope of what ministries do with the money they have. Certainly the function of the Premier's office is broad, does reach into every avenue of government, and I think that was fairly reflected by yourself in the remarks you gave at the opening. So if you're asking for the question to

be ruled out of order, I can't do that. It is your choice, of course, how you decide to handle the questions that are posed to you.

Mr Bisson, I'll take that time out of your time and we'll proceed.

**Mr Bisson:** Thank you very much, Chair. That's quite —

**Mr Terence H. Young (Halton Centre):** I'd like to comment on that.

**The Chair:** Sorry, Mr Young, you'll have a chance to comment as soon as the third party is done. You can use your time any way you wish.

**Mr Young:** On a point of order, Chair: The estimates committee is reviewing the operating expenses of the Premier's office. That's why we're here. We're here to look at the Premier's office as a financial entity: salaries and wages, employee benefits, transportation and communication, supplies and equipment, services, transfer payments, other transactions, recoveries etc. That's why we're here.

**The Chair:** Thank you, Mr Young. I've already made a ruling on that.

**Mr Young:** I wasn't finished, Chair.

**The Chair:** Well, so far you're not making a point of order, Mr Young, and I'll ask you to make it very quickly because otherwise I will move on.

**Mr Young:** If you'll allow me to finish, Chair, that's why we're here. We're here to review the Premier's office expenses. That does not include the operations of the entire government. We've already heard from the Ministry of Health. The opposition had plenty of time to review the Ministry of Health estimates and the Ministry of Education and the Ministry of Municipal Affairs. This is our opportunity to find out how the Office of the Premier is operated, and it's a great opportunity to do that. So if we get off on all these other tangents, we're not fulfilling our mandate given to us by the Legislative Assembly.

**The Chair:** Mr Young, if you look at the orders under which we operate and the practices that you yourself have participated in, we have given broad latitude for questions to members of your party, to members of each party, in order to best understand the public purpose to which those funds are put. We will adhere to that during these proceedings. I will monitor them for that value, but that has been our practice and I don't see any basis under which we would change that. I believe it is in keeping with

the orders under which we operate, and I would ask Mr Bisson to continue.

**Mr Young:** Chair, with regard to —

**The Chair:** Mr Young, I hope I understood your point. If there are parts of it I didn't understand, I'd be happy to entertain those, but on the basic fundamental point as to whether questions can be more broad-ranging than the actual specific salaries and so on in the Premier's office, I believe I've dealt with that and I invite you to address your opinions about that during your own time, not Mr Bisson's.

**Mr Young:** Why don't we hear what Mr Bisson has to say.

**Mr Bisson:** I am moved by the vast amount of experience that the members from the government side have on the procedures and traditions in the estimates committee. I learn something every day when I listen to the comments that just preceded. But I think what's clear is that the Chair has made a ruling and, second, it's in the tradition of what we've done here within the estimates committee. But more so, by the very nature of the response made by the parliamentary assistant to the Premier, who commented on almost everything that her government has done, this gives us the ability to raise a number of questions, and that's exactly what I plan on doing.

I will go back to the parliamentary assistant and I will ask a very simple question. We saw the finance minister last week make an announcement to introduce the seventh piece of legislation in the property tax reform fiasco in regard to the assessment system. My question to you was, is it your view that that particular legislation was to fix a problem created by the government with previous legislation?

**Ms Mushinski:** I will repeat to you that my second speech yesterday was a response to the comments that were made by members to my first speech. I might add that the Chair yesterday agreed that questions directed to me, as the parliamentary assistant to the Premier, here to represent him on the Premier's office estimates, should only be directed to the Premier's office estimates. That's what I'm going to confine my responses to.

**The Chair:** I would ask you to relate the questions to the activities at least of the Premier and the Premier's office. I believe that is in order.

Ms Mushinski, I have in front of me the draft Hansard, where your comments at the introduction of this office were very wide-ranging, and I can enumerate for you the different areas they were in. But I hope you will appreciate that we will ensure that it's the Premier's office we're interested in and, obviously, by the definition of that office, it has a fairly wide scope in terms of questions about government. So Mr Bisson, if you could help us with that, I would appreciate it.

**Mr Bisson:** I will make it a very direct link. As we know, as in every government present, past and also future, it is the Premier of the province and the Premier's office that decides basically what's to happen with his or her government over the life of that particular government. So Mike Harris decides what legislation he would like to

see passed, he decides what he wants his cabinet colleagues to be working on, he decides what he wants his caucus working on vis-à-vis the policies that are important to him and his party. That is the role of the Premier's office.

I also say, in previous estimates that we've had here — this is not the first time we've had a parliamentary assistant to a Premier before this committee. If you go back and look at the Hansards from previous encounters, you will see that parliamentary assistants have responded to fairly far-sweeping issues that have been raised here at estimates vis-à-vis the various workings and machinations of the government.

I will put the question to you again. The finance minister made an announcement last Friday, the seventh piece of legislation in a long line of legislation dealing with property tax reform vis-à-vis the assessment system. Is it your view that this latest piece of legislation was introduced in order to fix a problem that had been previously created by the government?

1550

**Mr John L. Parker (York East):** Mr Chairman, on a point of order: The estimates committee reviews the estimates of a number of different ministries, a number of different offices. The purpose for that process is to give this committee an opportunity to delve in some detail into the budgets and activities of the particular offices whose estimates are brought forward for scrutiny. It's inevitable that areas of general government policy will overlap from one office to another and there is reason for some latitude in some of the discussion, but to get into the detail of issues that are within the purview of a ministry that is not before us, I submit, is to depart from the purposes for which we are convened here today.

I am suggesting that the question that has just been asked does exactly that. The question goes into areas that are within the purview of the finance ministry. The finance ministry is not before us today for scrutiny and the question, I submit, is out of order.

**The Chair:** Mr Parker, I appreciate your point and I'd like to address it this way: Mr Bisson, you should be inquiring about the operations of the Premier's office. The specific matters which we have the time today to examine should be directly linked to the activities of the Premier's office, but that can of course include a wide range of policies just by the nature of what the Premier's office does within the government. So I would ask you to keep that in mind.

Ms Mushinski, I would certainly support that your answers can only relate to the Premier's office's involvement in the various issues put in front of you and you can't independently respond on behalf of ministers or ministries that aren't in your purview. I hope that addresses your concern.

Mr Bisson, I will ask you to go forward, but I would just ask everyone's co-operation to adhere to that guideline and otherwise to understand that I have ruled on the matter of relevancy for these discussions. Thank you.



**Mr Bisson:** We will try this again. Do you, Parliamentary Assistant, Oh great one, believe that in the end the Premier is accountable to the people of Ontario through his office?

**Ms Mushinski:** Mr Chairman, perhaps with your indulgence, I could just explain what the role of the Premier's office is.

**Mr Bisson:** That should be enlightening.

**Ms Mushinski:** The Premier's office supports the Premier in his role as the head of the executive council and as the leader of the government of Ontario. The office coordinates the government's policy development — and I say "coordinates" — and its legislative agenda and, as well, it coordinates the government's communication activities. It also supports and advises the Premier on issues that face cabinet and the government. The Office of the Premier is responsible for the Executive Council Act, the Lieutenant Governor Act, the Policy and Priorities Board of Cabinet Act and the Representation Act. The Premier's office assists the Premier in carrying out his daily business.

The office is comprised of several different departments: tour and issues management, outreach, policy, communications —

**Mr Bisson:** Chair, it's fairly evident that the parliamentary assistant has decided —

**Ms Mushinski:** Excuse me, I have not —

**Mr Bisson:** — that she's not going to respond to any questions but read a script. I asked you a very simple question and that question was, is the Premier of Ontario, in the end, accountable for his actions? Yes or no.

**Ms Mushinski:** I believe that you will find that my response, which I'm continuing to give, will answer that question.

**Mr Bisson:** I asked you, is the Premier's office accountable for his actions? Yes or no.

**The Chair:** Mr Bisson —

**Mr Bisson:** It's clearly evident that what you're going to do is sit there and read some script that you've been given by your masters. I'm asking you a simple question, as a citizen, as a politician: Is the Premier's office in the end accountable for his actions? Yes or no.

**The Chair:** Mr Bisson, come to order, please. Your question has been put. The parliamentary assistant is within her purview to answer the question in the way she sees fit. We have allowed for some dialogue between each of the questioners and the person responding. However, that has to be of a respectful variety and it has to allow the person a chance to answer the question. If at some point you have dissatisfaction with her answers, you can register that, but we cannot get into harangues here on either part. I'd like to hear the maximum of questions and answers take place.

**Ms Mushinski:** I would ask you to continue. She has indicated she is answering your question, Mr Bisson. Please continue.

**Ms Mushinski:** The Premier's office also assists the Premier in carrying out his daily business.

The office is comprised of the following departments: tour and issues management, outreach, policy, communications and strategic planning. The Premier's office works closely with the Cabinet Office ensuring that consistent political and policy advice flows from the centre of government to ministers and ministries.

I might add that, as far as I'm concerned, this committee has received all of the information it requires in compliance with standing order 63, which states: "The minister or person answerable for the estimates considered by the standing committee on estimates shall provide each member of the committee and the clerk of the committee with advance briefing material which shall include such information as growth rates, interim expenditures for the previous fiscal year, and an explanation of the programs and funding by particular item."

The information that has been provided to you, as a committee, is exactly what is required under the standing orders. Therefore, I think I'm well within my rights to suggest to you that I will only take questions about our particular Premier's office expenditures, the vote items, and not those of other ministries which have constantly been asked of me in the last two days.

**Mr Bisson:** Thank you very much, Parliamentary Assistant, for that very well-read script, but I'll ask you a very simple question. Is the —

**Mr Young:** That's uncalled for.

**Mr Bisson:** Well, I want to point something out. It's my time and I will point it out. You've been on this committee for a few years, Mr Young, and others. Normally we are not very partisan in nature at this committee. We ask serious questions about serious matters. You've been around enough to know that.

**The Chair:** OK, Mr Bisson.

**Mr Bisson:** It's my floor and I will use it the way I see fit, Chair. I am directing this to the parliamentary assistant. You came into this committee and politicized the process by the response you gave us yesterday. Basically, you came in here and you responded —

**Mr Young:** You weren't here last week when Sandra Pupatello ranted for 20 minutes about Windsor.

**The Chair:** Order, Mr Young.

**Mr Bisson:** The point is, you came in here and politicized the process by the response you gave us yesterday. I went back and looked at Hansard, at your opening comments, which were equally fairly political in terms and very broad-sweeping in regard to the responsibilities of the Premier's office. That, therefore, sets up the following response of questions. I'm going to ask you a very simple question: Does the Premier, in the end, have control over the priorities and planning committee? Yes or no.

**Ms Mushinski:** Again, I will tell you that I am here to answer questions pertaining to the Premier's office.

**Mr Bisson:** We are asking questions.

**Ms Mushinski:** I have already stated that my speech yesterday was in direct response to the speech and the allegations contained therein of the member for Windsor-Sandwich, Ms Pupatello, and —

**Mr Bisson:** So he's not responsible for P and P.



**Ms Mushinski:** — I am going to confine the responses I have to the particulars of the estimates that are in my hands.

**The Chair:** I'm sure you don't intend to challenge the ruling of the Chair but we have had broader latitude than what you've described. In choosing, as you are free to choose, to respond in any way that you see fit to the inquiries put to you, you are outside of what has been the tradition of estimates.

**Ms Mushinski:** I consider it to be outside my jurisdiction, Mr Chairman.

**The Chair:** Excuse me, I will make this point and hopefully it will assist to have some fruitful discussion in the several hours that we have left in front of us. In each of the cases of the ministries, we looked at the direct and indirect responsibilities to which public dollars are put. I would encourage Mr Bisson and the members of the committee to reference directly the activities of the Premier's office —

**Mr Bisson:** That's exactly what I'm doing, Chair.

**The Chair:** — because that is what we are permitted to do on this committee and indeed what we are charged to do on this committee. It is more than specific line-item dollars; it is the purposes to which they are put. I think that has been the tradition of the committee.

Ms Mushinski, I would remind you, your opening remarks were of that broad nature. I certainly thought they were in order and in keeping with that tradition in estimates committee and part of the useful debate that this committee can achieve. I would invite you to perhaps understand that. I will ensure that the questions you get pertain to the activities of the Premier's office and I hope you will see fit to provide responses in the best way you can.

**Mr Bisson:** A very simple question, again, Mr Chair.

1600

**Ms Mushinski:** Mr Chair, if I may respond to that.

**Mr Bisson:** Chair?

**The Chair:** One moment, Mr Bisson.

**Ms Mushinski:** I want to assure you that I'm perfectly willing to contribute to fruitful discussion around the whole issue of the Premier's estimates.

**The Chair:** Mr Bisson.

**Mr Bisson:** Thank you very much, Chair.

You say you're perfectly willing to provide answers in regard to the Premier's office and I ask you a very simple question: Does the Premier's office have anything to do with priorities and planning committee, yes or no?

**Ms Mushinski:** Mr Chairman, if I could take that question under advisement. I'll have the response later.

**Mr Bisson:** OK, it's under advisement, so we don't know if the Premier, according to this committee, has anything to do with priorities and planning committee. Does the Premier's office have anything to do with coordinating the decisions or leading the decisions or leading the discussion at Cabinet Office?

**Ms Mushinski:** Mr Chair, I will get back to what I was just saying about the Premier's office.

**Mr Bisson:** We're not too sure. All right.

**Ms Mushinski:** The office coordinates the government's policy development and legislative agenda —

**Mr Bisson:** So we're not sure.

**The Chair:** Mr Bisson, I'm having trouble hearing Ms Mushinski.

**Ms Mushinski:** — as well as the government's communication activities.

**Mr Bisson:** I thought she was finished. Sorry.

**Ms Mushinski:** I believe that responds most directly to the question that is being raised.

**Mr Bisson:** Thank you very much.

**Ms Mushinski:** The Premier is responsible specifically for certain pieces of legislation. I believe I have explained and articulated what those pieces of legislation are, but I'm perfectly willing to repeat them, if you so wish.

**Mr Bisson:** No, that's not what I'm looking for. I'm asking a very simple question.

I've asked two questions. The first one was, is the Premier responsible for coordinating or leading the priorities and planning committee in any way? Does he have any connection? "We don't know," is the answer, or you'll get back to me sometime.

**Ms Mushinski:** No, I did not say that. I'm waiting to answer that.

**Mr Bisson:** I've asked about Cabinet Office — "We're not sure." I'm still asking the question.

I'm going to ask you a third question. I've ask you about P and P, and I've asked you about Cabinet Office, and we haven't got a response as to the Premier's involvement with those two bodies. Let me ask you this one: You said earlier in your comments that part of the responsibility of the Premier's office was to coordinate legislative initiatives through the House. Does the Premier's office have anything to do with coordinating legislation that goes through this assembly? Yes or no.

**Ms Mushinski:** Perhaps I can hark back to what I said earlier about the pieces of legislation that the Premier's office does coordinate. The Policy and Priorities Board of Cabinet Act sets forth the composition and duties of the board, and I'm quite sure that Mr Bisson is aware of this. The board is the committee of the executive council.

The executive council, as I'm sure most of you are aware, but I will repeat it, is responsible for: developing reviewing, coordinating and advising on policy and priorities relating to long- and short-term goals of the government in relation to social and economic needs; the general outline of budgetary and fiscal policy and levels of taxation and priorities among expenditure programs in accordance with the goals; recommendations from policy field committees; program proposals; reappraisal of existing programs and governmental relations.

As I have already explained to this committee, the Cabinet Office has a separate set of estimates and this estimates committee is, in my understanding, to be dealing with those estimates at some future time, and the coordination of legislation is carried largely by the House leader's office.

**Mr Bisson:** We're going to try it again. You just read to us, for the second time, the responsibilities of the

Premier's office, which include the coordination and direction of legislation; the communication strategies and policies of the government; the overall policies of the government; the coordinating of legislation through the House through the House leader's office; P and P, priorities and planning; Cabinet Office.

You also talked about, "The government, through the Premier's office, establishes the long-term and short-term goals of the overall government, is responsible for determining a number of the financial matters in regards to the various ministries and the ministry of finance, and responsible for overall policies."

So I have a very simple question: Does Mr Harris, the Premier of Ontario, in the end, have anything to do with establishing the policies of the government of Ontario through his office? Does he do anything like that, or is he just a bookend at the end of the office somewhere?

**Ms Mushinski:** The Premier is on the policy and priorities committee; I am not. From the perspective of what I am willing to discuss with this committee —

**Mr Bisson:** With all due respect, it's not what you're willing —

**The Chair:** Mr Bisson, please.

**Ms Mushinski:** I'm willing to respond to questions of which I have knowledge. I do not sit on the policy and priorities committee, and I do not have an awareness of what happens at that committee, nor have I had an awareness of what happened on that committee in the past. So, again, as I have said to you before, Mr Chairman, I will confine my answers to as they relate to my sphere of knowledge.

**The Chair:** Mrs Mushinski, if there are areas which you're not directly involved with, what other parliamentary assistants have done is undertaken to obtain information for this committee — we understand that ministers and particularly the Premier will be busy — and perhaps that's a way we can channel those constructive requests.

**Ms Mushinski:** If I may, Mr Chairman, several of those questions, specifics, were asked of me yesterday and I have assured the questioners that I will get those responses.

**The Chair:** That co-operation is appreciated.

Mr Bisson, you still have approximately four minutes remaining.

**Mr Bisson:** I would want to ask the clerk of the committee a question. If I look at the last page in the estimates, I look at the Premier's salary and the parliamentary assistant's salary. Is the parliamentary assistant's salary one that we have the ability to vote on at this committee?

**The Chair:** It is all part of one vote.

**Mr Bisson:** He knows what I'm asking.

**Ms Mushinski:** I believe that's set by —

**The Chair:** Actually, no. The allocation is statutory; it is not subject to the vote.

**Mr Bisson:** Rather unfortunate, Mr Chair, because if it wasn't statutory I would make a move here by way of a motion that we withdraw the salary of the parliamentary

assistant, because I have no idea what that woman does when it comes to the Premier's office. She can't answer me what happens in the Premier's office.

**The Chair:** Mr Bisson.

**Mr Young:** On a point of order: That's abusive. That's a sexist comment.

**The Chair:** Mr Bisson, I'd ask you to maintain your questioning to the matters at hand. I will not permit personal characterizations on either part, in terms of the interaction we're hoping for here today.

I invite you to continue with questions you have concerning the operation of the Premier's office.

**Mr Bisson:** For the record, Chair, I am saying it's unfortunate that we don't have the ability to vote on this as a line item, because I would move to reduce the salary of the parliamentary assistant from \$11,155 down to zero. It's quite apparent that this person has no idea what goes on in the Premier's office, and quite frankly, I don't know of what use she is to this committee.

**The Chair:** Mr Bisson, your point is made.

**Mr Bisson:** Am I out of time?

**The Chair:** No. There's time remaining.

**Ms Mushinski:** May I respond, Mr Chairman? I find it somewhat unfortunate that obviously Mr Bisson was not here when I did have the opportunity to explain to the estimates committee my responsibilities, especially in terms of volunteerism and voluntary action in this province. In the Premier's office, I am responsible for volunteerism. It is unfortunate that Mr Bisson does not have any idea of what I do because I can assure you —

**Mr Bisson:** I just want to know if you know what you're doing. That's all I want to know.

**Ms Mushinski:** — that I'm very proud of my responsibilities for voluntary action. I spent most of the spring touring this province to recognize the tremendous contribution that Ontarian citizens have made to community development and community life in this province. That also includes certainly the riding of Mr Bisson. It's unfortunate that he's not aware of that, but certainly I would be willing to send out a very strong message about the tremendous contribution that volunteers make to the quality of life in this province, something that the Premier has appointed me to be responsible for in his office.

**The Chair:** The time for this segment has expired. Over to the government party. You have 20 minutes.

1610

**Mr Young:** Mr Art Daniels is here and he's prepared to make a presentation to the committee on public service restructuring. We'd like to use our time, because we think it will be very interesting and informative.

**The Chair:** Mr Daniels, could you identify yourself for the purposes of Hansard?

**Mr Art Daniels:** My name is Art Daniels. I'm assistant deputy minister of the Ontario Public Service Restructuring Secretariat, Cabinet Office, responsible for the service quality initiative and the restructuring initiative.

**Mr Young:** That's exhibit A, right?

**Mr Daniels:** This will be exhibit A.



I've had the pleasure of representing the public service of Ontario in an international awards program that assessed the quality of public services across the Commonwealth, including non-Commonwealth countries like the United States. One hundred and twenty-one submissions were received from all over the Commonwealth and the Ontario submission was, in the first sort, in the top 30, worldwide. It then was sorted to the top 10 in the whole of the Commonwealth and emerged as the top public service program across any of the cabinet systems in the world.

I brought some brochures just to let you know the kind of opposition we had because, when all of us study public administration or public services, we hear about projects in New Zealand, projects in Australia, projects in the UK. We were successful in being evaluated by a distinguished panel of 10 jurists, representing most of the Commonwealth countries, and also had an opportunity to stack ourselves against Australia's really innovative Centrelink program and the state of Victoria's public safety program in Victoria. We were able to compete successfully against the United Kingdom's service quality initiative, the service charter, and the recent innovations to the service charter in Great Britain, or to the restructuring of the military in the UK — I can't remember all of them, I'll make sure the brochure comes around — the whole country of India's educational initiative.

A very interesting one to me was the village payphone in Bangladesh, or in Canada the SchoolNet, the computers for schools project that Industry Canada launched, or the kiosk for jobs across Canada through Human Resources Development Canada. It was quite a contest. STRATEGIS was a large Internet system, one of the largest in the world, developed in Canada. It received honourable mention.

But Ontario, and its vision of public service and Ontario public service delivery initiative, emerged with the gold medal — this is the gold award — out of 121 submission.

I'm going to spend a few minutes showing some of the material that I used to summarize what we have achieved in Ontario in terms of service delivery. What particularly impressed the jurists and puts Ontario out in front is its use technology and its use of 24-hour services with Service Ontario and Ontario Business Connects, which allows Ontarians to have public services available and accessible and meet the requirements. I'll be able to share with you some of the statistics we used for these programs.

We're really proud of this. I think any award is as good as the people you're up against, and when you look at that list of countries and programs that made it to the top 10 and those that made it as honourable mentions, you can see we're in great company. People benchmark the United Kingdom's service quality, people benchmark Australia's Centrelink, but people do benchmark and will continue to benchmark Ontario's service delivery strategy.

I've got some slides here, the material that we used in the presentation. I'll read it. It might not be 100% clear. One of the things we did when we were putting this

together is look at what was happening in the public services across the Commonwealth. This was a study actually far beyond the Commonwealth. This was a study done by the International Institute of Administrative Sciences, asking most of the countries of the world what was driving public sector reform, because every country in the world is going through some form of reform.

I'll go back to another slide that the same group put up: 98% of countries, whether they're in the western economy or the eastern economy or in an emerging Third World economy, are all in the process of public sector reform. When they were asked what drove the reform, interestingly enough, it would be economics; balanced budgets, deficits, would be the number one driver, almost to the 100 percentile, but ideology of government is a driver. The important one for us and what we look at is how important technology is as a driver of public sector reform. It's not just to enable reform; it drives it.

When the Commonwealth asked questions about public sector reform across the Commonwealth, they said that new governments should be thinking differently about the role of government, thinking differently about their service users, the customers — that's the main driver of our reform — harnessing technology, and working in partnership in the public-private sector. These are very important to the public service reforms in Ontario.

The international institute then said, "What about developed countries?" That one slide I showed you was all the countries of the world, but when you isolate the most developed countries in the world, the economies there, you get a different kind of a driver. You still get deficit and productivity, but what comes very strongly into the equation is good customer service. Countries in Africa are struggling with their issues of fairness and corruption, whereas in Canada we really aren't struggling with those areas. We're struggling with customer service and quality service delivery. It does change for the developed countries. Ontario's service strategy is all to the customer.

In a summary of new public management and traditional public management, there's a shift of paradigm. It doesn't say that the old paradigm is wrong. It just says now that we have the state and the citizen relationship, but in the new public management that's centred on the citizen as customer, the government has products and services, so it's a producer, and the people who receive those products and services are customers. As we think about them that way, we begin to get a vision of government and government services that's more responsive. It deals with timeliness, speed, accessibility.

There's a wonderful quote from Dr Don Kettl from the Brookings Institution in Washington, who is the adviser to Mr Gore and Mr Clinton on their restructuring, called the National Performance Review. This is his definition of customer-centred government. It's kind of interesting. It "focuses downward, towards citizens. It forces them" — the public services — "to shape their behaviour by looking outside government to outcomes rather than within government for processes."



I've been a public servant for 33 years. I was hired as an administrator and I had titles like "officer" and "regulator," but that's not looking at the customer; that's a process job. We're looking at public service now as a producer of products and not processes, but outcomes and service delivery. When you see some of our restructuring material, it talks about government from the outside in, and this is what every government in developing countries is looking at, restructuring themselves around their products and their services, rather than around the ministries or the departments or their branches or their rule of law, but beginning to, as I call it, envelop the customer, the business client, the child — Mr Kennedy and I were talking about social services — around the family and the child, around seniors. This is Ministry of Health; this is Ministry of Community and Social Services; this is Ministry of Labour. You begin to see it as a whole customer and try to integrate programs. That's what this definition really says. Don't worry about your process; don't worry about where you live or work; think about your customer first.

When Canadians are surveyed about government; they're not too flattering, because the National Quality Institute lumps all government together, which is pretty unfair. Nobody ever lumps all private sector together and says, "What do you think of the private sector?" But when survey companies like the National Quality Institute survey Canadians they say, "What do you think of government?" they don't even tell you what they mean. Does he mean federal, provincial, municipal? That all gets carried into the old ethos, and of course we'll hit rock bottom; 60% of Canadians don't think the government does a good job.

1620

**Ms Mushinski:** It's that high, is it?

**Mr Daniels:** Yes. But now we did better. We did a survey with the federal government. It's an interesting group called the Citizen-Centred Service Network, of which Ontario, Manitoba and New Brunswick are the key parts. If you look at where public sector reform is occurring, it's the province of Manitoba, the province of New Brunswick and the province of Ontario. We funded, with the federal government, this study on what Canadians think of public services and what they would do.

The first question we asked was, "Begin to rank the services in terms of public-private." They were asked a series of questions about what things they liked, particularly their last experience with government or their last experience with the private sector, and then put it all together. You get a more truthful picture than lumping us all together, and that myth begins to deteriorate.

The top public services — and it shows you that we're quite egalitarian in Ontario. We look at municipal services and they were the number one service that Canadians liked. This, by the way, was true in Ontario. Fire services were way at the top, better than any private sector service. It rated the highest service, public or private. The second-highest were our public libraries. The former minister

would recognize that as an excellent place. People do appreciate public services.

Then you go down and you see supermarkets, police, driver's licence. We asked the private sector in general. They only got a 5.8 on that scale, but at least better than our 4.0. You can go down there and see banks at 5.1. Revenue Canada is more popular than the banks, because it's getting its service quality right.

The other thing it asked and I think this —

*Interjection.*

**Mr Daniels:** I shouldn't admit that, eh? They're doing a lot of good stuff.

The citizens' expectations: This is a really important one for all of us in the room, public servants and members of Parliament, because it asked about government in general. I think we always feel, when people do surveys about the public service or politicians, that people don't understand us and they give us low ratings. Here's a great survey of 30,000 Canadians that said, "Being in government is harder than being in the private sector." Some 54% of Canadians realize that the job of the public service is more difficult, but then they turn over, on the same side of the slide — you can't be complacent because they're saying, "But we expect the service to be better or the same." Only 5% of Canadians would accept less service than the private sector would give them. This sort of sets the challenge for us.

When they were asked what they want most from government services — it would be true of the private sector, but this was a government survey — it was getting things fast. This has become a really important thing. We did a similar survey in 1991 and found things like quality, competency and courtesy rated very high, and timeliness would be in the middle. But timeliness has shot up in the last six years to be almost the only criterion that matters. All of us notice this. We are a very fast generation. We don't wait around for services. We can't wait around. We have two-income families trying to stretch the quality of life. Look how important time is. It represents almost 70% of all the activity. So when citizens are asked what they want from government, they talk about timeliness.

In our model of public service reform — we spoke before of the award — this became our mantra, our lexicon: speed, simplicity and seamless government. If we can get the thing done quickly with simplicity, less red tape and not a lot of forms, and make it seamless, cluster around the individual or the business, then we'll have it right. We call it Ontario Delivers. It was a name that Dr Galt from the Ministry of the Environment came up with. I just borrowed "speed, simplicity and" — it used to be called "borderless" by a guy called Jack Welch, the president of General Electric, but I wondered why he didn't complete the alliteration, so we've improved on Mr Welch and made it "seamless." If we can do this right, we'll have right government.

As I said earlier, Ontarians and Canadians want us to cluster primarily around the unemployed, the family, the seniors and the business. So in Ontario we have some projects that actually begin to really understand that and

provide single-clustered services. I chose these four to highlight because they're the most automated, and we have a really good demonstration of what has happened. We've got outcomes and good customer surveys. We picked Service Ontario, Ontario Business Connects, Direct Access Ontario and Teranet Land Information. That's the four. There are others, but I picked those four.

You know how important business is. What generates jobs in Ontario? What generates our economy? It's small business, one or two, three or four people coming together, families and units. Before we had Business Connects, even within the Ontario mandate, we made businesses go all over the place. You would have to go to the Ministry of Labour for registration of labour standards. You'd go to the Ministry of Consumer and Commercial Relations to get your business licence, but you'd also get your business name. You'd have to go to the Worker's Compensation Board employee insurance program to get your employees' insurance registered and, of course, to the Ministry of Finance to register for retail sales tax, corporate tax. At the municipal level, you're registering with health; you're also registering with other municipalities. The federal government has a series of permits. In fact, if you're a small business person running a gas station and fixing and selling cars, you'd run into 40 business permits because of all the different licensing requirements.

We said, "You can't have that." Even getting a business name in Ontario prior to Business Connects was a cumbersome journey. We had one location, 393 University Avenue. Not all Ontario exists in Toronto, but we only had one office. You would have to write to us if you couldn't drive into the office. By writing to us, it would take six weeks to have your letter acknowledged. We send you the forms; in six weeks they come back and we process the forms. Canadians aren't that inarticulate, yet 50% of small business people would get the form wrong, and we'd send it back. That's 14 weeks. You've had a business idea and you couldn't implement it for three months.

But now, through Ontario Business Connects, you can register your name, your business registration, your vendor's licence for retail sales tax, your Ministry of Labour registration, your workers' compensation. Starting next year — we've signed an agreement with the federal government — GST will be there, UI, the federal suite of services; two governments coming together and encircling the business customer and providing a single window for business licensing and permits so that businesses don't just get one service, they get a lot of services.

We developed this logo and it's kind of cute. I worked on it. It sends a single message. It shouldn't be a concern what level of government gets that message, or what ministry or department. It is one message that they get and we transfer all over the government. Businesses can now start in 20 minutes. Starting last month, there are 100 places in Ontario you can do this. In co-operation with the federal government, you can go to Revenue Canada. You can go to a chamber of commerce office. You can go to an

enterprise centre. Now you can go there on the Internet. The Internet takes credit cards, so it's a cash transaction. People can start their businesses, get working with their families and friends.

**Mr Young:** It's on the Internet?

**Mr Daniels:** Yes, in Ontario. This is the first in the world. That's why when we presented this — it's part of the gold medal; it's part of being number one. Lots of countries are going to copy us. I had over 40 countries come to Ontario last year and take a tour. I take them down to the Ontario Business Connects workstation and the next one I'm going to show you.

**The Chair:** Mr Daniels, we're almost out of time. We have only about 30 seconds left. Perhaps it's possible to have the slides copied and distributed to the members of the committee, and there may be interest from some of the other questioners as well.

**Mr Daniels:** I didn't get to talk about the other three, but they are spectacular, as you would guess. The one window for individuals, over one million people will use it this year. That's the kiosk you see in malls. They provide drivers' licences in three minutes instead of hours and hours.

**The Chair:** Thank you, Mr Daniels. We now turn to the official opposition.

1630

**Mr Frank Miclash (Kenora):** My question is to the parliamentary assistant. I go back to my job as a parliamentary assistant for the Minister of Northern Development; it was Northern Development and Mines at the time. My role in that job was to act on behalf of the minister at various functions, whether it be at a function outside of this place or to appear before committees. I would assume the role of the minister at the time. Now, as the parliamentary assistant to the Premier, can you tell me what role you assume when the Premier is not available?

**Ms Mushinski:** Well, certainly the Deputy Premier is Mr Eves; I'm not. OK?

**Mr Miclash:** I know that.

**Ms Mushinski:** I have been given a very special responsibility —

**Mr Young:** Be nice.

**Mr Miclash:** Drop dead.

**Ms Mushinski:** — and I believe you're aware of it, Mr Miclash, with respect, Mr Chairman. It's a very special responsibility, and it's one that I'm very proud to represent the Premier on. I have been given the lead responsibility for voluntary action in Ontario. Mr Miclash, I did have the opportunity to explain to some of my colleagues on the government side what those specific responsibilities are, and I would be happy to walk you through some of those if you so wish.

**Mr Miclash:** What you're telling me, then, is that as the parliamentary assistant to the Premier your role differs from that of a parliamentary assistant to any other minister.

**Ms Mushinski:** I'm not quite sure how you would define "differ." Certainly I have been given that specific responsibility with respect to voluntary action, but of



course, as the parliamentary assistant to the Premier, I am responsible for appearing on his behalf, certainly before this committee. That's the reason I'm here today.

**Mr Miclash:** Great, so you're appearing on his behalf. So, I should be able to ask you any question that I would feel comfortable asking the Premier, if you're appearing on his behalf. Is that correct?

**Mr Young:** Related to the estimates.

**Mr Miclash:** Related to the estimates, yes.

**Ms Mushinski:** I should say that most certainly I would welcome and attempt to answer any specific question you have, Mr Miclash, in terms of my representation of the Premier on the Premier's office estimates. I should make that perfectly clear.

**Mr Miclash:** Normally when I come to estimates, I ask a minister questions, but the questions will vary in terms of anything that minister is responsible for. Now, I see the Premier as being responsible for all the issues in the province. I think you alluded to that earlier, government policy and priorities. So, would I not feel comfortable in asking you a question about the spending of this government?

**Ms Mushinski:** Obviously I can't speak to your comfort level; I can only speak to my own. As I have said to you, Mr Chairman, I am perfectly willing to respond to any questions pertaining to the item that is in front of us, and that obviously has to deal with the estimates within the Premier's office, the Premier's office budget. If you are going to ask me questions pertaining to other ministries' budgets, clearly my responsibility is to the Premier's office estimates, and other estimates must be left to those particular ministries and ministers.

**The Chair:** Just as a point of information, Mr Miclash, I've ruled that I certainly will accept questions about the activities of the Premier's office in keeping with our tradition of estimates. So, if the Premier's office is involved in the activities of other ministries, to that extent those questions are appropriate. How the parliamentary assistant chooses to answer those, of course, is up to the parliamentary assistant.

**Mr Miclash:** I appreciate the clarification, Chair.

When I'm driving down the highway these days, there are signs located on the highway and the name of the Premier is on those signs. My question to you as the parliamentary assistant is, being that the Premier's name is actually on these signs, can you tell me why they are located at various projects throughout the province along our highways and how much they might have cost?

**Ms Mushinski:** Again, that question, I believe, was asked yesterday, and I suggested that that particular question deals with the estimates of the Ministry of Transportation; certainly in terms of signage it does. As far as the Premier's name being attached to those, as the head of government, it would seem to me that has been a practice that has been in place for many years. I can certainly recall projects with Mr Peterson's name on them, and certainly I can recall projects with Mr Rae's name on them. But if we want to get into the details of the estimates process and how those signs are paid for, I suggest that

those are questions better answered by the minister responsible for that budget, which would be the Minister of Transportation.

**Mr Miclash:** I want to go back to the deputy minister, who has shown us an award for the public service sector in terms of Ontario. I want to ask him if he's aware as to how many public servants have been laid off under this government since 1995.

**Mr David Guscott:** The exact number, Mr Miclash, I'm not aware of, but I'd be glad to get that information for you. It's several thousand. I'd be happy to get that for you.

A lot of this relates to the kinds of things we talked about in the previous presentation from Mr Daniels. Technology has allowed government services around the world to be delivered in other ways that better meet that time-sensitive performance factor which is of so much importance to the people of Ontario. Certainly this government, in Ontario, has continued to advance the application of new technology for the benefit of the service that government can provide to people.

**Mr Miclash:** I think of the people I meet, who come through my office door, and you talk about the several thousand public employees who have been laid off. It's nice to come and display a beautiful award here, but I can tell you of many of my constituents. A personal friend of mine whom I went to school with, 44 years old, did nothing but work at MTO all of his life. He walked through my door and told me he's losing his home. That was because of a move on behalf of this government. Many jobs have disappeared out of our small town in northwestern Ontario into larger centres. As I'm sitting here, I could just put myself in the shoes of a person like that 44-year-old who is now without his home because he lost his job. You've got to remember, he has been doing this since he got out of high school.

Those are the things I see as the MPP. We can talk about awards, we can talk about public service, but we seem to forget about the folks who are told that next week they're without a job. We can talk about thousands of public service employees who are gone. I get to face some of them on a daily basis. I'd just like to enter that aspect regarding a government that wants to tell us about their achievements.

#### 1640

We had one of the government members introduce a bill suggesting that there should be no more answering machines or whatever in the public service in terms of public offices. I have constituents walk through my door and tell me about the hours and hours they wait because they want an answer and they're being put on hold by a machine. I have people who tell me about being put into a circle, into a complete loop, phoning to ask a question. We talk about technology taking over from people. Those are the complaints I get. Again, there is another aspect to this, an aspect that we in northwestern Ontario are certainly seeing. I just wanted to make that very clear today to the parliamentary assistant, hoping that she might take that back to the Premier, as she is the parliamentary assistant



to the Premier. I guess my impression of what the parliamentary assistant does for the Premier was not correct, and it certainly has changed since I walked in here today. So, a few of those things are on the record.

I recently issued a survey. One of the main issues that has been brought to my attention in this survey is the problem in getting through to government. I'll be producing those results shortly. I like the stat that 60% don't think government is doing a good job, and I will certainly be using that, because I think it's the present government that I can apply that to through the survey results I have and through what the deputy has told us today.

**Ms Mushinski:** I can start off with a response, if I may. There are a number of points that Mr Miclash has made. I need to start off by saying that I believe we were elected as a government to do better with less and to scale down the size of government. Certainly that was a commitment we took to the people in 1995, and we've done just that.

Coupled with that, we've cut the provincial income tax, which we know creates jobs. I think the record speaks for itself. Over 408,000 jobs have been created since 1995, which is certainly a significant improvement, I would suggest, over the 10,000 job losses that occurred under the previous government, at a time when that government was raising taxes 33 times.

The other thing, which I think I need to ask Mr Daniels to respond to, is the fact that we just won this award this year. We committed to improving the way we deliver service to our customers. This award, which I do not believe should be taken lightly, is symbolic of the significant improvement that we as a government have made in delivering service to our customers, and I'd like Mr Daniels to enhance that.

**The Chair:** Mr Cleary has a subsequent question. I think the indication in the official opposition is that they feel you've answered their question.

Mr Cleary has a new question.

**Mr John C. Cleary (Cornwall):** This is to Mr Daniels. You said you've had many titles in your lifetime. Have you always worked with the public service of Ontario?

**Mr Daniels:** Yes.

**Mr Cleary:** In the same ministry?

**Mr Daniels:** No. I've had a great career in the public service. I'm very fortunate. I graduated from university in 1966 and entered the public service in correctional services. I moved from corrections, where I was head of probation, parole and after-care — in fact, that's where I'm going tonight, to talk to the probation officers — into community and social services, assistant deputy minister of adult and children's services. From there I went to Management Board, where I was a civil service commissioner responsible for the civil service regulations and acts. Then I moved to consumer and commercial relations, where I was assistant deputy minister of registration, which has land information and business information and all the registry. Then I moved to the business regulation

ministry, again looking after business regulation, and now into Cabinet Office.

I've worked all over. I've been in the region. I've worked in Millbrook Correctional Centre. That's where I started out, in the field. I've worked in head office. I've worked in central agencies. I've worked in line ministries. I think I am the kind of public servant most of us want to be, who has worked in lots of places, learned a lot and understands a lot about the service.

I want to answer the question about technology and what happens. It's not, as some people portray it, always a negative.

**The Chair:** Mr Daniels, Mr Cleary is asking you a specific question.

**Mr Daniels:** Oh, sorry.

**Mr Cleary:** I just wanted to ask you, how long has this award been given out?

**Mr Daniels:** What is really exciting about this award is that it's the first time it's been given out in the world. That tells you that it's a pent-up — the Commonwealth association felt a lot of people had a lot of ideas that have been quite innovative across the Commonwealth, from the service charters in the UK to the restructuring of the British military system to the centre link. This the first year. Usually the first year of any award program will generate the most awards and the most competition. To win it the first time out means you're up against everything that's been really creative over the last decade, and that's what this is about, including the federal government's SchoolNet program, their HRDC kiosk — really good stuff. Yet we can stack ourselves up against all the federal governments in the Commonwealth and still come out with a good public service.

**Mr Cleary:** The other thing is, my colleague had mentioned it a bit earlier and I just delivered a letter to the Deputy Premier yesterday, about small business investment people trying to get information from the government and getting voice mail or getting some other mail — anyway, not getting the answers, not able to get through. I think the government has slipped a long way there. As I said, I spoke to Mr Eves, the Deputy Premier, about it and he kind of shook his head and grinned, so I think he's been getting this before. These are people trying to create small business in Ontario, not able to get through and get the information from the government. I'm very concerned about that. You told about all of the great things they're doing and I'd just like to have your comments on that because I'd like to send back to him what you say.

**Mr Daniels:** I think the presentation I gave you showed you what it was like. In 1994, to start a small business in Ontario, there was only one government office. Mr Miclash actually wrote to me when I was in this job wondering why we didn't have services more dispersed across the north, and now there are 100 workstations, in every community, but now you can actually transact on the Internet. This is replacing 12 to 14 weeks of waiting to start a business. You can start a business in Ontario, and only in Ontario, in 20 minutes.

## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Wednesday 28 October 1998

Mercredi 28 octobre 1998

*The committee met at 1540 in committee room 2.*

## OFFICE OF THE PREMIER

**The Chair (Mr Gerard Kennedy):** We are ready to start. We are continuing the round of questioning which began yesterday. I'm just waiting for Ms Mushinski.

**Ms Marilyn Mushinski (Scarborough-Ellesmere):** Sorry, Mr Chair.

**The Chair:** We are, as you know continuing the round of questioning. We'll begin with the representative for the third party, Mr Bisson, please, 20 minutes.

**Mr Gilles Bisson (Cochrane South):** I would like to start with one of the issues you raised yesterday, Parliamentary Assistant, while you did your discourse here before this committee late yesterday afternoon. You took great pride in talking about the whole issue of the property taxation announcement that was made by Ernie Eves but a week ago this Friday. The question I want to ask you is, would you admit that the purpose of the response the finance minister had in introducing that legislation was to fix a problem that your government had first created in creating a new assessment system?

**Ms Mushinski:** This is a matter of the estimates of the Premier's office today. Yesterday I spoke in terms of my responses to what I consider to be the outrageous allegations of Mrs Papatello and I put those outrageous allegations into the context of my submissions on the Premier's estimates.

Having said that, I then responded in my statement to the Premier's estimates, or the estimates of the Premier's office. The question that has just been raised has nothing whatsoever to do with the estimates of the Premier's office. The statements that I made were in complete response to the outrageous allegations of Mrs Papatello.

With respect to the estimates coming from the Minister of Finance as they pertain to any of the services that he delivers, I would suggest that any questions pertaining to those estimates be referred to the Minister of Finance.

**The Chair:** Ms Mushinski, your opening comments were very broad in nature. They are in keeping with the practice at estimates in the sense of looking at the broad scope of what ministries do with the money they have. Certainly the function of the Premier's office is broad, does reach into every avenue of government, and I think that was fairly reflected by yourself in the remarks you gave at the opening. So if you're asking for the question to

be ruled out of order, I can't do that. It is your choice, of course, how you decide to handle the questions that are posed to you.

**Mr Bisson:** I'll take that time out of your time and we'll proceed.

**Mr Bisson:** Thank you very much, Chair. That's quite —

**Mr Terence H. Young (Halton Centre):** I'd like to comment on that.

**The Chair:** Sorry, Mr Young, you'll have a chance to comment as soon as the third party is done. You can use your time any way you wish.

**Mr Young:** On a point of order, Chair: The estimates committee is reviewing the operating expenses of the Premier's office. That's why we're here. We're here to look at the Premier's office as a financial entity: salaries and wages, employee benefits, transportation and communication, supplies and equipment, services, transfer payments, other transactions, recoveries etc. That's why we're here.

**The Chair:** Thank you, Mr Young. I've already made a ruling on that.

**Mr Young:** I wasn't finished, Chair.

**The Chair:** Well, so far you're not making a point of order, Mr Young, and I'll ask you to make it very quickly because otherwise I will move on.

**Mr Young:** If you'll allow me to finish, Chair, that's why we're here. We're here to review the Premier's office expenses. That does not include the operations of the entire government. We've already heard from the Ministry of Health. The opposition had plenty of time to review the Ministry of Health estimates and the Ministry of Education and the Ministry of Municipal Affairs. This is our opportunity to find out how the Office of the Premier is operated, and it's a great opportunity to do that. So if we get off on all these other tangents, we're not fulfilling our mandate given to us by the Legislative Assembly.

**The Chair:** Mr Young, if you look at the orders under which we operate and the practices that you yourself have participated in, we have given broad latitude for questions to members of your party, to members of each party, in order to best understand the public purpose to which those funds are put. We will adhere to that during these proceedings. I will monitor them for that value, but that has been our practice and I don't see any basis under which we would change that. I believe it is in keeping with



the orders under which we operate, and I would ask Mr Bisson to continue.

**Mr Young:** Chair, with regard to —

**The Chair:** Mr Young, I hope I understood your point. If there are parts of it I didn't understand, I'd be happy to entertain those, but on the basic fundamental point as to whether questions can be more broad-ranging than the actual specific salaries and so on in the Premier's office, I believe I've dealt with that and I invite you to address your opinions about that during your own time, not Mr Bisson's.

**Mr Young:** Why don't we hear what Mr Bisson has to say.

**Mr Bisson:** I am moved by the vast amount of experience that the members from the government side have on the procedures and traditions in the estimates committee. I learn something every day when I listen to the comments that just preceded. But I think what's clear is that the Chair has made a ruling and, second, it's in the tradition of what we've done here within the estimates committee. But more so, by the very nature of the response made by the parliamentary assistant to the Premier, who commented on almost everything that her government has done, this gives us the ability to raise a number of questions, and that's exactly what I plan on doing.

I will go back to the parliamentary assistant and I will ask a very simple question. We saw the finance minister last week make an announcement to introduce the seventh piece of legislation in the property tax reform fiasco in regard to the assessment system. My question to you was, is it your view that that particular legislation was to fix a problem created by the government with previous legislation?

**Ms Mushinski:** I will repeat to you that my second speech yesterday was a response to the comments that were made by members to my first speech. I might add that the Chair yesterday agreed that questions directed to me, as the parliamentary assistant to the Premier, here to represent him on the Premier's office estimates, should only be directed to the Premier's office estimates. That's what I'm going to confine my responses to.

**The Chair:** I would ask you to relate the questions to the activities at least of the Premier and the Premier's office. I believe that is in order.

Ms Mushinski, I have in front of me the draft Hansard, where your comments at the introduction of this office were very wide-ranging, and I can enumerate for you the different areas they were in. But I hope you will appreciate that we will ensure that it's the Premier's office we're interested in and, obviously, by the definition of that office, it has a fairly wide scope in terms of questions about government. So Mr Bisson, if you could help us with that, I would appreciate it.

**Mr Bisson:** I will make it a very direct link. As we know, as in every government present, past and also future, it is the Premier of the province and the Premier's office that decides basically what's to happen with his or her government over the life of that particular government. So Mike Harris decides what legislation he would like to

see passed, he decides what he wants his cabinet colleagues to be working on, he decides what he wants his caucus working on vis-à-vis the policies that are important to him and his party. That is the role of the Premier's office.

I also say, in previous estimates that we've had here — this is not the first time we've had a parliamentary assistant to a Premier before this committee. If you go back and look at the Hansards from previous encounters, you will see that parliamentary assistants have responded to fairly far-sweeping issues that have been raised here at estimates vis-à-vis the various workings and machinations of the government.

I will put the question to you again. The finance minister made an announcement last Friday, the seventh piece of legislation in a long line of legislation dealing with property tax reform vis-à-vis the assessment system. Is it your view that this latest piece of legislation was introduced in order to fix a problem that had been previously created by the government?

1550

**Mr John L. Parker (York East):** Mr Chairman, on a point of order: The estimates committee reviews the estimates of a number of different ministries, a number of different offices. The purpose for that process is to give this committee an opportunity to delve in some detail into the budgets and activities of the particular offices whose estimates are brought forward for scrutiny. It's inevitable that areas of general government policy will overlap from one office to another and there is reason for some latitude in some of the discussion, but to get into the detail of issues that are within the purview of a ministry that is not before us, I submit, is to depart from the purposes for which we are convened here today.

I am suggesting that the question that has just been asked does exactly that. The question goes into areas that are within the purview of the finance ministry. The finance ministry is not before us today for scrutiny and the question, I submit, is out of order.

**The Chair:** Mr Parker, I appreciate your point and I'd like to address it this way: Mr Bisson, you should be inquiring about the operations of the Premier's office. The specific matters which we have the time today to examine should be directly linked to the activities of the Premier's office, but that can of course include a wide range of policies just by the nature of what the Premier's office does within the government. So I would ask you to keep that in mind.

Ms Mushinski, I would certainly support that your answers can only relate to the Premier's office's involvement in the various issues put in front of you and you can't independently respond on behalf of ministers or ministries that aren't in your purview. I hope that addresses your concern.

Mr Bisson, I will ask you to go forward, but I would just ask everyone's co-operation to adhere to that guideline and otherwise to understand that I have ruled on the matter of relevancy for these discussions. Thank you.



**Mr Bisson:** We will try this again. Do you, Parliamentary Assistant, Oh great one, believe that in the end the Premier is accountable to the people of Ontario through his office?

**Ms Mushinski:** Mr Chairman, perhaps with your indulgence, I could just explain what the role of the Premier's office is.

**Mr Bisson:** That should be enlightening.

**Ms Mushinski:** The Premier's office supports the Premier in his role as the head of the executive council and as the leader of the government of Ontario. The office coordinates the government's policy development — and I say "coordinates" — and its legislative agenda and, as well, it coordinates the government's communication activities. It also supports and advises the Premier on issues that face cabinet and the government. The Office of the Premier is responsible for the Executive Council Act, the Lieutenant Governor Act, the Policy and Priorities Board of Cabinet Act and the Representation Act. The Premier's office assists the Premier in carrying out his daily business.

The office is comprised of several different departments: tour and issues management, outreach, policy, communications —

**Mr Bisson:** Chair, it's fairly evident that the parliamentary assistant has decided —

**Ms Mushinski:** Excuse me, I have not —

**Mr Bisson:** — that she's not going to respond to any questions but read a script. I asked you a very simple question and that question was, is the Premier of Ontario, in the end, accountable for his actions? Yes or no.

**Ms Mushinski:** I believe that you will find that my response, which I'm continuing to give, will answer that question.

**Mr Bisson:** I asked you, is the Premier's office accountable for his actions? Yes or no.

**The Chair:** Mr Bisson —

**Mr Bisson:** It's clearly evident that what you're going to do is sit there and read some script that you've been given by your masters. I'm asking you a simple question, as a citizen, as a politician: Is the Premier's office in the end accountable for his actions? Yes or no.

**The Chair:** Mr Bisson, come to order, please. Your question has been put. The parliamentary assistant is within her purview to answer the question in the way she sees fit. We have allowed for some dialogue between each of the questioners and the person responding. However, that has to be of a respectful variety and it has to allow the person a chance to answer the question. If at some point you have dissatisfaction with her answers, you can register that, but we cannot get into harangues here on either part. I'd like to hear the maximum of questions and answers take place.

**Ms Mushinski:** I would ask you to continue. She has indicated she is answering your question, Mr Bisson. Please continue.

**Ms Mushinski:** The Premier's office also assists the Premier in carrying out his daily business.

The office is comprised of the following departments: tour and issues management, outreach, policy, communications and strategic planning. The Premier's office works closely with the Cabinet Office ensuring that consistent political and policy advice flows from the centre of government to ministers and ministries.

I might add that, as far as I'm concerned, this committee has received all of the information it requires in compliance with standing order 63, which states: "The minister or person answerable for the estimates considered by the standing committee on estimates shall provide each member of the committee and the clerk of the committee with advance briefing material which shall include such information as growth rates, interim expenditures for the previous fiscal year, and an explanation of the programs and funding by particular item."

The information that has been provided to you, as a committee, is exactly what is required under the standing orders. Therefore, I think I'm well within my rights to suggest to you that I will only take questions about our particular Premier's office expenditures, the vote items, and not those of other ministries which have constantly been asked of me in the last two days.

**Mr Bisson:** Thank you very much, Parliamentary Assistant, for that very well-read script, but I'll ask you a very simple question. Is the —

**Mr Young:** That's uncalled for.

**Mr Bisson:** Well, I want to point something out. It's my time and I will point it out. You've been on this committee for a few years, Mr Young, and others. Normally we are not very partisan in nature at this committee. We ask serious questions about serious matters. You've been around enough to know that.

**The Chair:** OK, Mr Bisson.

**Mr Bisson:** It's my floor and I will use it the way I see fit, Chair. I am directing this to the parliamentary assistant. You came into this committee and politicized the process by the response you gave us yesterday. Basically, you came in here and you responded —

**Mr Young:** You weren't here last week when Sandra Pupatello ranted for 20 minutes about Windsor.

**The Chair:** Order, Mr Young.

**Mr Bisson:** The point is, you came in here and politicized the process by the response you gave us yesterday. I went back and looked at Hansard, at your opening comments, which were equally fairly political in terms and very broad-sweeping in regard to the responsibilities of the Premier's office. That, therefore, sets up the following response of questions. I'm going to ask you a very simple question: Does the Premier, in the end, have control over the priorities and planning committee? Yes or no.

**Ms Mushinski:** Again, I will tell you that I am here to answer questions pertaining to the Premier's office.

**Mr Bisson:** We are asking questions.

**Ms Mushinski:** I have already stated that my speech yesterday was in direct response to the speech and the allegations contained therein of the member for Windsor-Sandwich, Ms Pupatello, and —

**Mr Bisson:** So he's not responsible for P and P.

**Ms Mushinski:** — I am going to confine the responses I have to the particulars of the estimates that are in my hands.

**The Chair:** I'm sure you don't intend to challenge the ruling of the Chair but we have had broader latitude than what you've described. In choosing, as you are free to choose, to respond in any way that you see fit to the inquiries put to you, you are outside of what has been the tradition of estimates.

**Ms Mushinski:** I consider it to be outside my jurisdiction, Mr Chairman.

**The Chair:** Excuse me, I will make this point and hopefully it will assist to have some fruitful discussion in the several hours that we have left in front of us. In each of the cases of the ministries, we looked at the direct and indirect responsibilities to which public dollars are put. I would encourage Mr Bisson and the members of the committee to reference directly the activities of the Premier's office —

**Mr Bisson:** That's exactly what I'm doing, Chair.

**The Chair:** — because that is what we are permitted to do on this committee and indeed what we are charged to do on this committee. It is more than specific line-item dollars; it is the purposes to which they are put. I think that has been the tradition of the committee.

**Ms Mushinski:** I would remind you, your opening remarks were of that broad nature. I certainly thought they were in order and in keeping with that tradition in estimates committee and part of the useful debate that this committee can achieve. I would invite you to perhaps understand that. I will ensure that the questions you get pertain to the activities of the Premier's office and I hope you will see fit to provide responses in the best way you can.

**Mr Bisson:** A very simple question, again, Mr Chair.

1600

**Ms Mushinski:** Mr Chair, if I may respond to that.

**Mr Bisson:** Chair?

**The Chair:** One moment, Mr Bisson.

**Ms Mushinski:** I want to assure you that I'm perfectly willing to contribute to fruitful discussion around the whole issue of the Premier's estimates.

**The Chair:** Mr Bisson.

**Mr Bisson:** Thank you very much, Chair.

You say you're perfectly willing to provide answers in regard to the Premier's office and I ask you a very simple question: Does the Premier's office have anything to do with priorities and planning committee, yes or no?

**Ms Mushinski:** Mr Chairman, if I could take that question under advisement. I'll have the response later.

**Mr Bisson:** OK, it's under advisement, so we don't know if the Premier, according to this committee, has anything to do with priorities and planning committee. Does the Premier's office have anything to do with coordinating the decisions or leading the decisions or leading the discussion at Cabinet Office?

**Ms Mushinski:** Mr Chair, I will get back to what I was just saying about the Premier's office.

**Mr Bisson:** We're not too sure. All right.

**Ms Mushinski:** The office coordinates the government's policy development and legislative agenda —

**Mr Bisson:** So we're not sure.

**The Chair:** Mr Bisson, I'm having trouble hearing Ms Mushinski.

**Ms Mushinski:** — as well as the government's communication activities.

**Mr Bisson:** I thought she was finished. Sorry.

**Ms Mushinski:** I believe that responds most directly to the question that is being raised.

**Mr Bisson:** Thank you very much.

**Ms Mushinski:** The Premier is responsible specifically for certain pieces of legislation. I believe I have explained and articulated what those pieces of legislation are, but I'm perfectly willing to repeat them, if you so wish.

**Mr Bisson:** No, that's not what I'm looking for. I'm asking a very simple question.

I've asked two questions. The first one was, is the Premier responsible for coordinating or leading the priorities and planning committee in any way? Does he have any connection? "We don't know," is the answer, or you'll get back to me sometime.

**Ms Mushinski:** No, I did not say that. I'm waiting to answer that.

**Mr Bisson:** I've asked about Cabinet Office — "We're not sure." I'm still asking the question.

I'm going to ask you a third question. I've ask you about P and P, and I've asked you about Cabinet Office, and we haven't got a response as to the Premier's involvement with those two bodies. Let me ask you this one: You said earlier in your comments that part of the responsibility of the Premier's office was to coordinate legislative initiatives through the House. Does the Premier's office have anything to do with coordinating legislation that goes through this assembly? Yes or no.

**Ms Mushinski:** Perhaps I can hark back to what I said earlier about the pieces of legislation that the Premier's office does coordinate. The Policy and Priorities Board of Cabinet Act sets forth the composition and duties of the board, and I'm quite sure that Mr Bisson is aware of this. The board is the committee of the executive council.

The executive council, as I'm sure most of you are aware, but I will repeat it, is responsible for: developing reviewing, coordinating and advising on policy and priorities relating to long- and short-term goals of the government in relation to social and economic needs; the general outline of budgetary and fiscal policy and levels of taxation and priorities among expenditure programs in accordance with the goals; recommendations from policy field committees; program proposals; reappraisal of existing programs and governmental relations.

As I have already explained to this committee, the Cabinet Office has a separate set of estimates and this estimates committee is, in my understanding, to be dealing with those estimates at some future time, and the coordination of legislation is carried largely by the House leader's office.

**Mr Bisson:** We're going to try it again. You just read to us, for the second time, the responsibilities of the



Premier's office, which include the coordination and direction of legislation; the communication strategies and policies of the government; the overall policies of the government; the coordinating of legislation through the House through the House leader's office; P and P, priorities and planning; Cabinet Office.

You also talked about, "The government, through the Premier's office, establishes the long-term and short-term goals of the overall government, is responsible for determining a number of the financial matters in regards to the various ministries and the ministry of finance, and responsible for overall policies."

So I have a very simple question: Does Mr Harris, the Premier of Ontario, in the end, have anything to do with establishing the policies of the government of Ontario through his office? Does he do anything like that, or is he just a bookend at the end of the office somewhere?

**Ms Mushinski:** The Premier is on the policy and priorities committee; I am not. From the perspective of what I am willing to discuss with this committee —

**Mr Bisson:** With all due respect, it's not what you're willing —

**The Chair:** Mr Bisson, please.

**Ms Mushinski:** I'm willing to respond to questions of which I have knowledge. I do not sit on the policy and priorities committee, and I do not have an awareness of what happens at that committee, nor have I had an awareness of what happened on that committee in the past. So, again, as I have said to you before, Mr Chairman, I will confine my answers to as they relate to my sphere of knowledge.

**The Chair:** Mrs Mushinski, if there are areas which you're not directly involved with, what other parliamentary assistants have done is undertaken to obtain information for this committee — we understand that ministers and particularly the Premier will be busy — and perhaps that's a way we can channel those constructive requests.

**Ms Mushinski:** If I may, Mr Chairman, several of those questions, specifics, were asked of me yesterday and I have assured the questioners that I will get those responses.

**The Chair:** That co-operation is appreciated.

Mr Bisson, you still have approximately four minutes remaining.

**Mr Bisson:** I would want to ask the clerk of the committee a question. If I look at the last page in the estimates, I look at the Premier's salary and the parliamentary assistant's salary. Is the parliamentary assistant's salary one that we have the ability to vote on at this committee?

**The Chair:** It is all part of one vote.

**Mr Bisson:** He knows what I'm asking.

**Ms Mushinski:** I believe that's set by —

**The Chair:** Actually, no. The allocation is statutory; it is not subject to the vote.

**Mr Bisson:** Rather unfortunate, Mr Chair, because if it wasn't statutory I would make a move here by way of a motion that we withdraw the salary of the parliamentary

assistant, because I have no idea what that woman does when it comes to the Premier's office. She can't answer me what happens in the Premier's office.

**The Chair:** Mr Bisson.

**Mr Young:** On a point of order: That's abusive. That's a sexist comment.

**The Chair:** Mr Bisson, I'd ask you to maintain your questioning to the matters at hand. I will not permit personal characterizations on either part, in terms of the interaction we're hoping for here today.

I invite you to continue with questions you have concerning the operation of the Premier's office.

**Mr Bisson:** For the record, Chair, I am saying it's unfortunate that we don't have the ability to vote on this as a line item, because I would move to reduce the salary of the parliamentary assistant from \$11,155 down to zero. It's quite apparent that this person has no idea what goes on in the Premier's office, and quite frankly, I don't know of what use she is to this committee.

**The Chair:** Mr Bisson, your point is made.

**Mr Bisson:** Am I out of time?

**The Chair:** No. There's time remaining.

**Ms Mushinski:** May I respond, Mr Chairman? I find it somewhat unfortunate that obviously Mr Bisson was not here when I did have the opportunity to explain to the estimates committee my responsibilities, especially in terms of volunteerism and voluntary action in this province. In the Premier's office, I am responsible for volunteerism. It is unfortunate that Mr Bisson does not have any idea of what I do because I can assure you —

**Mr Bisson:** I just want to know if you know what you're doing. That's all I want to know.

**Ms Mushinski:** — that I'm very proud of my responsibilities for voluntary action. I spent most of the spring touring this province to recognize the tremendous contribution that Ontarian citizens have made to community development and community life in this province. That also includes certainly the riding of Mr Bisson. It's unfortunate that he's not aware of that, but certainly I would be willing to send out a very strong message about the tremendous contribution that volunteers make to the quality of life in this province, something that the Premier has appointed me to be responsible for in his office.

**The Chair:** The time for this segment has expired. Over to the government party. You have 20 minutes.

1610

**Mr Young:** Mr Art Daniels is here and he's prepared to make a presentation to the committee on public service restructuring. We'd like to use our time, because we think it will be very interesting and informative.

**The Chair:** Mr Daniels, could you identify yourself for the purposes of Hansard?

**Mr Art Daniels:** My name is Art Daniels. I'm assistant deputy minister of the Ontario Public Service Restructuring Secretariat, Cabinet Office, responsible for the service quality initiative and the restructuring initiative.

**Mr Young:** That's exhibit A, right?

**Mr Daniels:** This will be exhibit A.



I've had the pleasure of representing the public service of Ontario in an international awards program that assessed the quality of public services across the Commonwealth, including non-Commonwealth countries like the United States. One hundred and twenty-one submissions were received from all over the Commonwealth and the Ontario submission was, in the first sort, in the top 30, worldwide. It then was sorted to the top 10 in the whole of the Commonwealth and emerged as the top public service program across any of the cabinet systems in the world.

I brought some brochures just to let you know the kind of opposition we had because, when all of us study public administration or public services, we hear about projects in New Zealand, projects in Australia, projects in the UK. We were successful in being evaluated by a distinguished panel of 10 jurists, representing most of the Commonwealth countries, and also had an opportunity to stack ourselves against Australia's really innovative Centrelink program and the state of Victoria's public safety program in Victoria. We were able to compete successfully against the United Kingdom's service quality initiative, the service charter, and the recent innovations to the service charter in Great Britain, or to the restructuring of the military in the UK — I can't remember all of them, I'll make sure the brochure comes around — the whole country of India's educational initiative.

A very interesting one to me was the village payphone in Bangladesh, or in Canada the SchoolNet, the computers for schools project that Industry Canada launched, or the kiosk for jobs across Canada through Human Resources Development Canada. It was quite a contest. STRATEGIS was a large Internet system, one of the largest in the world, developed in Canada. It received honourable mention.

But Ontario, and its vision of public service and Ontario public service delivery initiative, emerged with the gold medal — this is the gold award — out of 121 submission.

I'm going to spend a few minutes showing some of the material that I used to summarize what we have achieved in Ontario in terms of service delivery. What particularly impressed the jurists and puts Ontario out in front is its use technology and its use of 24-hour services with Service Ontario and Ontario Business Connects, which allows Ontarians to have public services available and accessible and meet the requirements. I'll be able to share with you some of the statistics we used for these programs.

We're really proud of this. I think any award is as good as the people you're up against, and when you look at that list of countries and programs that made it to the top 10 and those that made it as honourable mentions, you can see we're in great company. People benchmark the United Kingdom's service quality, people benchmark Australia's Centrelink, but people do benchmark and will continue to benchmark Ontario's service delivery strategy.

I've got some slides here, the material that we used in the presentation. I'll read it. It might not be 100% clear. One of the things we did when we were putting this

together is look at what was happening in the public services across the Commonwealth. This was a study actually far beyond the Commonwealth. This was a study done by the International Institute of Administrative Sciences, asking most of the countries of the world what was driving public sector reform, because every country in the world is going through some form of reform.

I'll go back to another slide that the same group put up: 98% of countries, whether they're in the western economy or the eastern economy or in an emerging Third World economy, are all in the process of public sector reform. When they were asked what drove the reform, interestingly enough, it would be economics; balanced budgets, deficits, would be the number one driver, almost to the 100 percentile, but ideology of government is a driver. The important one for us and what we look at is how important technology is as a driver of public sector reform. It's not just to enable reform; it drives it.

When the Commonwealth asked questions about public sector reform across the Commonwealth, they said that new governments should be thinking differently about the role of government, thinking differently about their service users, the customers — that's the main driver of our reform — harnessing technology, and working in partnership in the public-private sector. These are very important to the public service reforms in Ontario.

The international institute then said, "What about developed countries?" That one slide I showed you was all the countries of the world, but when you isolate the most developed countries in the world, the economies there, you get a different kind of a driver. You still get deficit and productivity, but what comes very strongly into the equation is good customer service. Countries in Africa are struggling with their issues of fairness and corruption, whereas in Canada we really aren't struggling with those areas. We're struggling with customer service and quality service delivery. It does change for the developed countries. Ontario's service strategy is all to the customer.

In a summary of new public management and traditional public management, there's a shift of paradigm. It doesn't say that the old paradigm is wrong. It just says now that we have the state and the citizen relationship, but in the new public management that's centred on the citizen as customer, the government has products and services, so it's a producer, and the people who receive those products and services are customers. As we think about them that way, we begin to get a vision of government and government services that's more responsive. It deals with timeliness, speed, accessibility.

There's a wonderful quote from Dr Don Kettl from the Brookings Institution in Washington, who is the adviser to Mr Gore and Mr Clinton on their restructuring, called the National Performance Review. This is his definition of customer-centred government. It's kind of interesting. It "focuses downward, towards citizens. It forces them" — the public services — "to shape their behaviour by looking outside government to outcomes rather than within government for processes."

I've been a public servant for 33 years. I was hired as an administrator and I had titles like "officer" and "regulator," but that's not looking at the customer; that's a process job. We're looking at public service now as a producer of products and not processes, but outcomes and service delivery. When you see some of our restructuring material, it talks about government from the outside in, and this is what every government in developing countries is looking at, restructuring themselves around their products and their services, rather than around the ministries or the departments or their branches or their rule of law, but beginning to, as I call it, envelop the customer, the business client, the child — Mr Kennedy and I were talking about social services — around the family and the child, around seniors. This is Ministry of Health; this is Ministry of Community and Social Services; this is Ministry of Labour. You begin to see it as a whole customer and try to integrate programs. That's what this definition really says. Don't worry about your process; don't worry about where you live or work; think about your customer first.

When Canadians are surveyed about government; they're not too flattering, because the National Quality Institute lumps all government together, which is pretty unfair. Nobody ever lumps all private sector together and says, "What do you think of the private sector?" But when survey companies like the National Quality Institute survey Canadians they say, "What do you think of government?" they don't even tell you what they mean. Does he mean federal, provincial, municipal? That all gets carried into the old ethos, and of course we'll hit rock bottom; 60% of Canadians don't think the government does a good job.

1620

**Ms Mushinski:** It's that high, is it?

**Mr Daniels:** Yes. But now we did better. We did a survey with the federal government. It's an interesting group called the Citizen-Centred Service Network, of which Ontario, Manitoba and New Brunswick are the key parts. If you look at where public sector reform is occurring, it's the province of Manitoba, the province of New Brunswick and the province of Ontario. We funded, with the federal government, this study on what Canadians think of public services and what they would do.

The first question we asked was, "Begin to rank the services in terms of public-private." They were asked a series of questions about what things they liked, particularly their last experience with government or their last experience with the private sector, and then put it all together. You get a more truthful picture than lumping us all together, and that myth begins to deteriorate.

The top public services — and it shows you that we're quite egalitarian in Ontario. We look at municipal services and they were the number one service that Canadians liked. This, by the way, was true in Ontario. Fire services were way at the top, better than any private sector service. It rated the highest service, public or private. The second-highest were our public libraries. The former minister

would recognize that as an excellent place. People do appreciate public services.

Then you go down and you see supermarkets, police, driver's licence. We asked the private sector in general. They only got a 5.8 on that scale, but at least better than our 4.0. You can go down there and see banks at 5.1. Revenue Canada is more popular than the banks, because it's getting its service quality right.

The other thing it asked and I think this —

*Interjection.*

**Mr Daniels:** I shouldn't admit that, eh? They're doing a lot of good stuff.

The citizens' expectations: This is a really important one for all of us in the room, public servants and members of Parliament, because it asked about government in general. I think we always feel, when people do surveys about the public service or politicians, that people don't understand us and they give us low ratings. Here's a great survey of 30,000 Canadians that said, "Being in government is harder than being in the private sector." Some 54% of Canadians realize that the job of the public service is more difficult, but then they turn over, on the same side of the slide — you can't be complacent because they're saying, "But we expect the service to be better or the same." Only 5% of Canadians would accept less service than the private sector would give them. This sort of sets the challenge for us.

When they were asked what they want most from government services — it would be true of the private sector, but this was a government survey — it was getting things fast. This has become a really important thing. We did a similar survey in 1991 and found things like quality, competency and courtesy rated very high, and timeliness would be in the middle. But timeliness has shot up in the last six years to be almost the only criterion that matters. All of us notice this. We are a very fast generation. We don't wait around for services. We can't wait around. We have two-income families trying to stretch the quality of life. Look how important time is. It represents almost 70% of all the activity. So when citizens are asked what they want from government, they talk about timeliness.

In our model of public service reform — we spoke before of the award — this became our mantra, our lexicon: speed, simplicity and seamless government. If we can get the thing done quickly with simplicity, less red tape and not a lot of forms, and make it seamless, cluster around the individual or the business, then we'll have it right. We call it Ontario Delivers. It was a name that Dr Galt from the Ministry of the Environment came up with. I just borrowed "speed, simplicity and" — it used to be called "borderless" by a guy called Jack Welch, the president of General Electric, but I wondered why he didn't complete the alliteration, so we've improved on Mr Welch and made it "seamless." If we can do this right, we'll have right government.

As I said earlier, Ontarians and Canadians want us to cluster primarily around the unemployed, the family, the seniors and the business. So in Ontario we have some projects that actually begin to really understand that and



provide single-clustered services. I chose these four to highlight because they're the most automated, and we have a really good demonstration of what has happened. We've got outcomes and good customer surveys. We picked Service Ontario, Ontario Business Connects, Direct Access Ontario and Teranet Land Information. That's the four. There are others, but I picked those four.

You know how important business is. What generates jobs in Ontario? What generates our economy? It's small business, one or two, three or four people coming together, families and units. Before we had Business Connects, even within the Ontario mandate, we made businesses go all over the place. You would have to go to the Ministry of Labour for registration of labour standards. You'd go to the Ministry of Consumer and Commercial Relations to get your business licence, but you'd also get your business name. You'd have to go to the Worker's Compensation Board employee insurance program to get your employees' insurance registered and, of course, to the Ministry of Finance to register for retail sales tax, corporate tax. At the municipal level, you're registering with health; you're also registering with other municipalities. The federal government has a series of permits. In fact, if you're a small business person running a gas station and fixing and selling cars, you'd run into 40 business permits because of all the different licensing requirements.

We said, "You can't have that." Even getting a business name in Ontario prior to Business Connects was a cumbersome journey. We had one location, 393 University Avenue. Not all Ontario exists in Toronto, but we only had one office. You would have to write to us if you couldn't drive into the office. By writing to us, it would take six weeks to have your letter acknowledged. We send you the forms; in six weeks they come back and we process the forms. Canadians aren't that inarticulate, yet 50% of small business people would get the form wrong, and we'd send it back. That's 14 weeks. You've had a business idea and you couldn't implement it for three months.

But now, through Ontario Business Connects, you can register your name, your business registration, your vendor's licence for retail sales tax, your Ministry of Labour registration, your workers' compensation. Starting next year — we've signed an agreement with the federal government — GST will be there, UI, the federal suite of services; two governments coming together and encircling the business customer and providing a single window for business licensing and permits so that businesses don't just get one service, they get a lot of services.

We developed this logo and it's kind of cute. I worked on it. It sends a single message. It shouldn't be a concern what level of government gets that message, or what ministry or department. It is one message that they get and we transfer all over the government. Businesses can now start in 20 minutes. Starting last month, there are 100 places in Ontario you can do this. In co-operation with the federal government, you can go to Revenue Canada. You can go to a chamber of commerce office. You can go to an

enterprise centre. Now you can go there on the Internet. The Internet takes credit cards, so it's a cash transaction. People can start their businesses, get working with their families and friends.

**Mr Young:** It's on the Internet?

**Mr Daniels:** Yes, in Ontario. This is the first in the world. That's why when we presented this — it's part of the gold medal; it's part of being number one. Lots of countries are going to copy us. I had over 40 countries come to Ontario last year and take a tour. I take them down to the Ontario Business Connects workstation and the next one I'm going to show you.

**The Chair:** Mr Daniels, we're almost out of time. We have only about 30 seconds left. Perhaps it's possible to have the slides copied and distributed to the members of the committee, and there may be interest from some of the other questioners as well.

**Mr Daniels:** I didn't get to talk about the other three, but they are spectacular, as you would guess. The one window for individuals, over one million people will use it this year. That's the kiosk you see in malls. They provide drivers' licences in three minutes instead of hours and hours.

**The Chair:** Thank you, Mr Daniels. We now turn to the official opposition.

1630

**Mr Frank Miclash (Kenora):** My question is to the parliamentary assistant. I go back to my job as a parliamentary assistant for the Minister of Northern Development; it was Northern Development and Mines at the time. My role in that job was to act on behalf of the minister at various functions, whether it be at a function outside of this place or to appear before committees. I would assume the role of the minister at the time. Now, as the parliamentary assistant to the Premier, can you tell me what role you assume when the Premier is not available?

**Ms Mushinski:** Well, certainly the Deputy Premier is Mr Eves; I'm not. OK?

**Mr Miclash:** I know that.

**Ms Mushinski:** I have been given a very special responsibility —

**Mr Young:** Be nice.

**Mr Miclash:** Drop dead.

**Ms Mushinski:** — and I believe you're aware of it, Mr Miclash, with respect, Mr Chairman. It's a very special responsibility, and it's one that I'm very proud to represent the Premier on. I have been given the lead responsibility for voluntary action in Ontario. Mr Miclash, I did have the opportunity to explain to some of my colleagues on the government side what those specific responsibilities are, and I would be happy to walk you through some of those if you so wish.

**Mr Miclash:** What you're telling me, then, is that as the parliamentary assistant to the Premier your role differs from that of a parliamentary assistant to any other minister.

**Ms Mushinski:** I'm not quite sure how you would define "differ." Certainly I have been given that specific responsibility with respect to voluntary action, but of



course, as the parliamentary assistant to the Premier, I am responsible for appearing on his behalf, certainly before this committee. That's the reason I'm here today.

**Mr Miclash:** Great, so you're appearing on his behalf. So, I should be able to ask you any question that I would feel comfortable asking the Premier, if you're appearing on his behalf. Is that correct?

**Mr Young:** Related to the estimates.

**Mr Miclash:** Related to the estimates, yes.

**Ms Mushinski:** I should say that most certainly I would welcome and attempt to answer any specific question you have, Mr Miclash, in terms of my representation of the Premier on the Premier's office estimates. I should make that perfectly clear.

**Mr Miclash:** Normally when I come to estimates, I ask a minister questions, but the questions will vary in terms of anything that minister is responsible for. Now, I see the Premier as being responsible for all the issues in the province. I think you alluded to that earlier, government policy and priorities. So, would I not feel comfortable in asking you a question about the spending of this government?

**Ms Mushinski:** Obviously I can't speak to your comfort level; I can only speak to my own. As I have said to you, Mr Chairman, I am perfectly willing to respond to any questions pertaining to the item that is in front of us, and that obviously has to deal with the estimates within the Premier's office, the Premier's office budget. If you are going to ask me questions pertaining to other ministries' budgets, clearly my responsibility is to the Premier's office estimates, and other estimates must be left to those particular ministries and ministers.

**The Chair:** Just as a point of information, Mr Miclash, I've ruled that I certainly will accept questions about the activities of the Premier's office in keeping with our tradition of estimates. So, if the Premier's office is involved in the activities of other ministries, to that extent those questions are appropriate. How the parliamentary assistant chooses to answer those, of course, is up to the parliamentary assistant.

**Mr Miclash:** I appreciate the clarification, Chair.

When I'm driving down the highway these days, there are signs located on the highway and the name of the Premier is on those signs. My question to you as the parliamentary assistant is, being that the Premier's name is actually on these signs, can you tell me why they are located at various projects throughout the province along our highways and how much they might have cost?

**Ms Mushinski:** Again, that question, I believe, was asked yesterday, and I suggested that that particular question deals with the estimates of the Ministry of Transportation; certainly in terms of signage it does. As far as the Premier's name being attached to those, as the head of government, it would seem to me that has been a practice that has been in place for many years. I can certainly recall projects with Mr Peterson's name on them, and certainly I can recall projects with Mr Rae's name on them. But if we want to get into the details of the estimates process and how those signs are paid for, I suggest that

those are questions better answered by the minister responsible for that budget, which would be the Minister of Transportation.

**Mr Miclash:** I want to go back to the deputy minister, who has shown us an award for the public service sector in terms of Ontario. I want to ask him if he's aware as to how many public servants have been laid off under this government since 1995.

**Mr David Guscott:** The exact number, Mr Miclash, I'm not aware of, but I'd be glad to get that information for you. It's several thousand. I'd be happy to get that for you.

A lot of this relates to the kinds of things we talked about in the previous presentation from Mr Daniels. Technology has allowed government services around the world to be delivered in other ways that better meet that time-sensitive performance factor which is of so much importance to the people of Ontario. Certainly this government, in Ontario, has continued to advance the application of new technology for the benefit of the service that government can provide to people.

**Mr Miclash:** I think of the people I meet, who come through my office door, and you talk about the several thousand public employees who have been laid off. It's nice to come and display a beautiful award here, but I can tell you of many of my constituents. A personal friend of mine whom I went to school with, 44 years old, did nothing but work at MTO all of his life. He walked through my door and told me he's losing his home. That was because of a move on behalf of this government. Many jobs have disappeared out of our small town in northwestern Ontario into larger centres. As I'm sitting here, I could just put myself in the shoes of a person like that 44-year-old who is now without his home because he lost his job. You've got to remember, he has been doing this since he got out of high school.

Those are the things I see as the MPP. We can talk about awards, we can talk about public service, but we seem to forget about the folks who are told that next week they're without a job. We can talk about thousands of public service employees who are gone. I get to face some of them on a daily basis. I'd just like to enter that aspect regarding a government that wants to tell us about their achievements.

**1640**

We had one of the government members introduce a bill suggesting that there should be no more answering machines or whatever in the public service in terms of public offices. I have constituents walk through my door and tell me about the hours and hours they wait because they want an answer and they're being put on hold by a machine. I have people who tell me about being put into a circle, into a complete loop, phoning to ask a question. We talk about technology taking over from people. Those are the complaints I get. Again, there is another aspect to this, an aspect that we in northwestern Ontario are certainly seeing. I just wanted to make that very clear today to the parliamentary assistant, hoping that she might take that back to the Premier, as she is the parliamentary assistant

to the Premier. I guess my impression of what the parliamentary assistant does for the Premier was not correct, and it certainly has changed since I walked in here today. So, a few of those things are on the record.

I recently issued a survey. One of the main issues that has been brought to my attention in this survey is the problem in getting through to government. I'll be producing those results shortly. I like the stat that 60% don't think government is doing a good job, and I will certainly be using that, because I think it's the present government that I can apply that to through the survey results I have and through what the deputy has told us today.

**Ms Mushinski:** I can start off with a response, if I may. There are a number of points that Mr Miclash has made. I need to start off by saying that I believe we were elected as a government to do better with less and to scale down the size of government. Certainly that was a commitment we took to the people in 1995, and we've done just that.

Coupled with that, we've cut the provincial income tax, which we know creates jobs. I think the record speaks for itself. Over 408,000 jobs have been created since 1995, which is certainly a significant improvement, I would suggest, over the 10,000 job losses that occurred under the previous government, at a time when that government was raising taxes 33 times.

The other thing, which I think I need to ask Mr Daniels to respond to, is the fact that we just won this award this year. We committed to improving the way we deliver service to our customers. This award, which I do not believe should be taken lightly, is symbolic of the significant improvement that we as a government have made in delivering service to our customers, and I'd like Mr Daniels to enhance that.

**The Chair:** Mr Cleary has a subsequent question. I think the indication in the official opposition is that they feel you've answered their question.

Mr Cleary has a new question.

**Mr John C. Cleary (Cornwall):** This is to Mr Daniels. You said you've had many titles in your lifetime. Have you always worked with the public service of Ontario?

**Mr Daniels:** Yes.

**Mr Cleary:** In the same ministry?

**Mr Daniels:** No. I've had a great career in the public service. I'm very fortunate. I graduated from university in 1966 and entered the public service in correctional services. I moved from corrections, where I was head of probation, parole and after-care — in fact, that's where I'm going tonight, to talk to the probation officers — into community and social services, assistant deputy minister of adult and children's services. From there I went to Management Board, where I was a civil service commissioner responsible for the civil service regulations and acts. Then I moved to consumer and commercial relations, where I was assistant deputy minister of registration, which has land information and business information and all the registry. Then I moved to the business regulation

ministry, again looking after business regulation, and now into Cabinet Office.

I've worked all over. I've been in the region. I've worked in Millbrook Correctional Centre. That's where I started out, in the field. I've worked in head office. I've worked in central agencies. I've worked in line ministries. I think I am the kind of public servant most of us want to be, who has worked in lots of places, learned a lot and understands a lot about the service.

I want to answer the question about technology and what happens. It's not, as some people portray it, always a negative.

**The Chair:** Mr Daniels, Mr Cleary is asking you a specific question.

**Mr Daniels:** Oh, sorry.

**Mr Cleary:** I just wanted to ask you, how long has this award been given out?

**Mr Daniels:** What is really exciting about this award is that it's the first time it's been given out in the world. That tells you that it's a pent-up — the Commonwealth association felt a lot of people had a lot of ideas that have been quite innovative across the Commonwealth, from the service charters in the UK to the restructuring of the British military system to the centre link. This the first year. Usually the first year of any award program will generate the most awards and the most competition. To win it the first time out means you're up against everything that's been really creative over the last decade, and that's what this is about, including the federal government's SchoolNet program, their HRDC kiosk — really good stuff. Yet we can stack ourselves up against all the federal governments in the Commonwealth and still come out with a good public service.

**Mr Cleary:** The other thing is, my colleague had mentioned it a bit earlier and I just delivered a letter to the Deputy Premier yesterday, about small business investment people trying to get information from the government and getting voice mail or getting some other mail — anyway, not getting the answers, not able to get through. I think the government has slipped a long way there. As I said, I spoke to Mr Eves, the Deputy Premier, about it and he kind of shook his head and grinned, so I think he's been getting this before. These are people trying to create small business in Ontario, not able to get through and get the information from the government. I'm very concerned about that. You told about all of the great things they're doing and I'd just like to have your comments on that because I'd like to send back to him what you say.

**Mr Daniels:** I think the presentation I gave you showed you what it was like. In 1994, to start a small business in Ontario, there was only one government office. Mr Miclash actually wrote to me when I was in this job wondering why we didn't have services more dispersed across the north, and now there are 100 workstations, in every community, but now you can actually transact on the Internet. This is replacing 12 to 14 weeks of waiting to start a business. You can start a business in Ontario, and only in Ontario, in 20 minutes.



**Mr Bisson:** When was that started? Under the NDP government.

**Mr Young:** How do you start a small business in Bob Rae's Ontario? You start with a big business and wait.

**Mr Bisson:** You guys are so mean and partisan.

**Mr Cleary:** The other thing that I'd like to ask the parliamentary assistant is, I see in the estimates book travel and communication. What all is involved in that, "Transportation and Communication"?

**Ms Mushinski:** "Travel and Communication." Hang on, just let me check my notes here.

**Mr Cleary:** That's in your estimates, Office of the Premier.

**Ms Mushinski:** OK, you want both the transportation and communication?

**Mr Cleary:** This "Transportation and Communication," I just wonder what all is involved in that.

**Ms Mushinski:** You want an actual line-by-line breakdown of all of the expenses?

**Mr Cleary:** Well, I'd like to know something.

**Ms Mushinski:** It represents \$70,000, or 2.4%, which is travelling, relocation expenses, postage, courier and telephone charges.

1650

**Mr Cleary:** Whose travelling?

**Ms Mushinski:** For the whole staff in the Premier's office.

**Mr Cleary:** And where does the Premier's transportation show up, his travel?

**Ms Mushinski:** That's included in the overall. You wanted a specific breakdown for the Premier?

**Mr Cleary:** No. He goes on these — like he's on right now, and I'd just like to know where that money is coming from.

**Ms Mushinski:** The Office of the Premier spent \$12,933 in 1997.

*Interjections.*

**The Chair:** Order, please.

**Ms Mushinski:** That's 2.4% of the overall —

**The Chair:** Ms Mushinski, you said that you have a number for this year as well.

**Ms Mushinski:** Yes, for "Transportation and Communication" it's \$70,000.

**The Chair:** Mr Cleary, I'll have to ask you to pursue this question in the next round that you have. Now I'd like to turn to the third party, Mr Bisson.

**Mr Bisson:** I want to follow up on the question just asked previously, which is, can you tell us how much money was set aside in last year's estimates vis-à-vis the amount of travel that was done by the Premier directly. How much money did it cost the taxpayers of Ontario, excluding his trips as an MPP? We know that's reported under another act. What is it in his travels as Premier; what did that cost us? Can you give us that number?

**Ms Mushinski:** The Office of the Premier, as I say, spent \$12,933 on travel last year.

**Mr Bisson:** Say that again? The Office of the Premier spent —

**Ms Mushinski:** Spent \$12,933.

**Mr Bisson:** That's for the entire Premier's office, for all of the travel in the Premier's office?

**Ms Mushinski:** Yes.

**Mr Bisson:** That includes the Premier of Ontario?

**Ms Mushinski:** Yes, it does.

**Mr Bisson:** OK. I'm just curious. I assume this Premier, like every Premier before him, travels to various parts of the province making announcements on behalf of his government and representing his government at various events. Does he travel in a Volkswagen or in a Honda or is it a motorcycle? There's got to be just gas charges here, because certainly an airline ticket —

**Ms Mushinski:** With respect to the Premier's international travel —

**Mr Bisson:** No, I don't want to go there right now. I'm looking at travel within Ontario for the Premier of Ontario, excluding his MPP travel, because all of us members have the ability to travel to our ridings 52 times per year, in other words one trip per week to and from work, and we're entitled to 12 trips per year within the province and the mileage within our riding. I want to exclude that because we already know that. It's reported. What I'm asking is, how much money did it cost us to travel the Premier around his various responsibilities and events last year, excluding his travel as MPP within the province of Ontario?

**Ms Mushinski:** As I explained, for 1997, the overall cost of travel for the Premier's office was \$12,933. I don't have the specific breakdown for the Premier. That's for the overall Premier's office expenditure, but certainly I would be happy to provide that particular breakdown.

**Mr Bisson:** This Premier is no different from any Premier before: He travels. This is not a comment on the ability of the Premier to travel, because we want him to represent his government in different parts of the province. I know, for example, that the Premier was in the city of Timmins making a nice announcement not more than five months ago, which I attended. It was a very nice announcement vis-à-vis tourism dollars and I know he got there by plane. In fact, it wasn't on the plane that I travelled, because I flew the commercial flight of Air Ontario. He came in on the government plane, which he's entitled to do; I don't begrudge him that. I understand the Premier has a tight schedule and it's very difficult for him to make scheduled flights, so I don't profess that I want him to do that — plus, there are security matters that have to be dealt with.

My question is that I'm sure the travel of the Premier has got to be more than 12,000 bucks, considering just the trip he would have made to Timmins. That would have cost 4,000 or 5,000 bucks right there for the rental of the aircraft and other things. So in which way do you account for that? Is there some way you can provide us some numbers as to how much it was charged back to the MNR?

**Ms Mushinski:** I've given you the information that I have, and certainly with regard to this specific breakdown for the Premier, I'll take that question under advisement and attempt to get that information.



**Mr Bisson:** Just to be helpful, there must be somebody on staff here with the Premier's office who can explain to this committee how we account for travel. We know there's a plane — as a matter of fact there were two of them the last time I checked that belong to the Ministry of Natural Resources that are at the disposition of ministers, parliamentary assistants and the Premier, rightfully so. I don't make any argument against that.

When I was a parliamentary assistant I utilized that plane on a number of occasions and I would have to account for it through my budget as a parliamentary assistant. The Ministry of Natural Resources would say, "Here's the cost for utilizing that aircraft to your budget," and we accounted for it in some way, and that showed up. I think if I spent more than \$10,000 per year, that number was published so that everybody knew what the PA of northern development was spending. I imagine it's the same with the Premier. Can somebody here from the Premier's office tell us how much travel was charged back to the MNR in regard to that plane and other travels?

**Ms Mushinski:** As I suggested, I don't have that information available immediately. I certainly will attempt to get it.

**Mr Bisson:** So you will provide us with that information?

**Ms Mushinski:** Most certainly.

**Mr Bisson:** Can I just ask the Chair a question? We have how much time left at estimates overall with the Premier's office?

**The Chair:** I'll provide that to you in just a moment.

**Mr Bisson:** As I'm asking the next question, because I want to make sure we have the chance to see each other again so we can take a look at that. I want you to be clear as to what I'm looking for. I don't want his travel as a member of the Legislature. We know what that is. I'm looking specifically for how much money it cost for the Premier to travel within the province of Ontario for his job as the Premier — so every time that he would utilize the MNR plane, or utilize the cars that are available to him, commercial flights that may have been scheduled, or other charters that may have been done. Separate from that, I would also like to have a breakdown of his travel outside the province of Ontario, travel within Canada, then international travel. If you guys can provide us with that, we'd appreciate that. Is that clear? Is there any question to clarify? You understand what I'm asking for?

**Ms Mushinski:** Yes, I do indeed.

**Mr Bisson:** Thank you. That's most helpful.

**Ms Mushinski:** I will attempt to get that information expeditiously.

**Mr Bisson:** All right, as he's still adding up the hours of the estimates for the Premier's office, I will move to the second question. I just want to make a comment to my friend who sits to the left of you. Your name again was?

**Mr Daniels:** Art Daniels.

**Ms Mushinski:** That's to the right of me, Mr Bisson.

**Mr Bisson:** To my left. I always look to the left; I never look to the right.

**Ms Mushinski:** Believe me, I know the difference between left and right.

**Mr Bisson:** Thank God. Thank the bejesus that you know the difference between something. Anyway, Cabinet Office: I just want to make a general comment.

**The Chair:** That was unnecessary, Mr Bisson, please.

**Mr Bisson:** I first of all want to congratulate you for your long years of service not only to this government but to former governments in the province of Ontario, because I know you to be an honourable person who's served the province well. I think that should be put on the record. There are many people like you who try to do the very best they can with all stripes of government. You may or may not like a particular government, but I've always found the civil service to be very professional in doing its duties vis-à-vis following the policies of the government and I want to thank you for those years of service.

I also want to thank you for reminding my good Conservative friends of the good NDP initiative that we started back when we were in government, which was called Clearing the Path, which allowed for businesses to register on-line across the province rather than having to send away to get all the papers. In fact, I was at the ribbon-cutting of the very first kiosk that was set up in the city of Timmins. It was the first pilot. I remember that well. As a matter of fact, it's still up and running and quite successful. The NDP government did some things right, it would seem.

All right, on to the next question. Could we have an answer to my question to the Chair first?

**The Chair:** We have approximately two hours and 58 minutes remaining in this section dealing with the Premier's office.

**Mr Bisson:** We'll be back next week, so, to the parliamentary assistant, you'll provide the answers to my question of the three areas of expenses, within Ontario, within Canada and internationally, by next week?

1700

**Ms Mushinski:** In terms of the international travel, which Mr Bisson has just mentioned, the Premier's international travel falls under the Ministry of Economic Development, Trade and Tourism. I can speak to that but as far as the estimates themselves are concerned, they would fall under that ministry's estimates.

**Mr Bisson:** You will attempt to provide us with that information, I take it, is what you're trying to say. That is good.

I just have another question: Does the Premier ever talk to you?

**Ms Mushinski:** What kind of a question is that?

**Mr Bisson:** Well, it's a question. You're his parliamentary assistant.

**Mr Wayne Wettlaufer (Kitchener):** What does that have to do with the price of tea in China? Come on, be relevant.

**Mr Bisson:** I want to know if the Premier talks to the parliamentary assistant. You're his parliamentary assistant.

**Ms Mushinski:** Of course he does.

**Mr Bisson:** OK, that's good. We're getting somewhere. When he talks to you generally, does he talk to you about policy matters or just, "Hi, how's it going?"

**Ms Mushinski:** Again, the conversations that I have with the Premier in terms of estimates I would be happy to respond to, but I don't think that I should be getting into a long dialogue about the conversations that the Premier has with me.

**Mr Bisson:** I'm not asking for an itinerary of what you talk about.

**The Chair:** Mr Bisson, I'll ask you to connect this to something in the Premier's office please.

**Mr Bisson:** I am connecting it.

**The Chair:** Thank you.

**Mr Bisson:** You will see, my friend the Chair.

Your salary, Parliamentary Assistant, is one of the items that is part of the estimates of the Premier of Ontario?

**Ms Mushinski:** Mr Chairman, I answered that question yesterday. My salary, along with every other parliamentary assistant's salary, is determined by statute.

**Mr Bisson:** That's right, and I don't argue the amount of money you get. It's probably not nearly enough to compensate you for the work that you do. The point I'm trying to connect here is that you have an office as parliamentary assistant to the Premier, and the budget to operate that office is part of these estimates, is it they not?

**Ms Mushinski:** Yes.

**Mr Bisson:** Thank you. That's why I was asking. So if you have an office within the purview of these estimates, I can ask a very simple question like, do you have staff who work for you? Do you have one or two people?

**Ms Mushinski:** I do have staff.

**Mr Bisson:** We don't need names, just one or two? How many people do you have working for you in your PA's office?

**Ms Mushinski:** I have a legislative assistant —

**Mr Bisson:** As a member, to which we're all entitled. I understand that. I'm talking about your PA's budget that falls under these estimates.

**Ms Mushinski:** The PA's budget is precisely the same in the Premier's office as it is for every other parliamentary assistant.

**Mr Bisson:** I'm not attacking —

**The Chair:** I think, if I may, the specific question was, do you have staff that are paid for under this vote? I think that was the specific question.

**Ms Mushinski:** Yes, in accordance with —

**Mr Bisson:** Yes, so do you have one or two? I'm just asking the question.

**Ms Mushinski:** I have —

**Mr Bisson:** I know we all have staff as MPPs. We're entitled, in my caucus, to three and a half staff paid by the Legislative Assembly. As a PA, do you have one executive assistant or is it two? I'm just asking. Do you know how many people work for you? That's all I want to know.

**The Chair:** Mr Bisson, please. We'd like to keep the tone of this constructive.

**Mr Bisson:** I'm trying to be constructive. It's a simple answer.

**The Chair:** That wasn't. We'd like to give Ms Mushinski a chance to answer.

**Mr Bisson:** Ask me how many people work for me. I'll tell you the answer. It's pretty simple.

**Ms Mushinski:** If you want me to get into comparing my record with yours, Mr Bisson, I'd be happy to do that, but I'm sure you don't.

**The Chair:** Have you had an opportunity to answer?

**Ms Mushinski:** Yes, I have one staff member paid under —

**Mr Bisson:** Thank you. That's what I was asking. We've established that under the estimates of this ministry, you have one staff paid for by the parliamentary assistant's office. We know that you have a stipend as a parliamentary assistant. You also have travel as the parliamentary assistant to the Premier. I would expect that you travel on behalf of the Premier?

**Ms Mushinski:** As I explained earlier, certainly to Mr Bisson, as the parliamentary assistant to the Premier, responsible for voluntary action, most certainly I have undertaken a number of visits to approximately 20 communities in Ontario, recognizing volunteers through the provincial awards ceremony which is delivered as a part of the Ministry of Citizenship, Culture and Recreation.

**Mr Bisson:** Do you do any travel for the Premier's office? That's all I'm asking. Yes or no.

**Ms Mushinski:** Yes.

**Mr Bisson:** OK. Could you provide this committee with a list of — as well as the information I wanted from the Premier's office — how much travel is charged back to the Premier's office in your capacity as the parliamentary assistant? Can you provide us with those answers?

**Ms Mushinski:** By all means, sir.

**Mr Bisson:** Do you have it with you or is that something you'll have to bring back next week?

**Ms Mushinski:** No, I don't have those specific details but I would be most happy to provide them next time.

**Mr Bisson:** Do you ever go out for supper, business meetings, that kind of stuff and have charges — because you're entitled to it; I make no bones about that — for suppers, meetings, anything like that, in your capacity as a PA?

**Ms Mushinski:** They are not covered under my parliamentary assistant's budget.

**Mr Bisson:** That's news. You never would charge back to the Premier's office any expenses incurred for a supper meeting, entertaining guests of the Premier or anything like that? You would not charge any of that back to the Premier's office?

**Ms Mushinski:** Not to the parliamentary assistant's budget.

**Mr Bisson:** So you would have no difficulty providing me with the list of expenditures against your budget as a parliamentary assistant for yourself or your staff when it comes to travel and entertainment, supper, that kind of stuff?



**Ms Mushinski:** I believe all that information is available, and I'd be happy to provide it.

**Mr Bisson:** You will provide it. Very good. That's what I'm asking for.

**Mr Wettlaufer:** As long as it's compared with the PA under your administration.

**The Chair:** We're about to reach your turn, Mr Wettlaufer.

**Mr Bisson:** You'll get your turn and if you want to see my records, you're more than entitled. I'll give them to you.

**Ms Mushinski:** I'll be happy to provide that to the government side too.

**Mr Bisson:** I have no difficulty providing that.

**Mr Wettlaufer:** I bet you she doesn't buy \$50 bottles of wine.

**Mr Bisson:** I couldn't afford to buy a \$50 bottle of wine. I have to make my own.

**Mr Wettlaufer:** Some of your people did.

**Mr Bisson:** I'm a poor working person. My wine is a lot better.

**Ms Mushinski:** Not to mention the number of political staffers that they had under the NDP.

**Mr Bisson:** Yes, I had a political staff person.

**Mr Wettlaufer:** That's right. You people knew how to travel first class.

**Mr Bisson:** I wish we did. We didn't. Maybe we should have.

All right. So far we know we're going to get information vis-à-vis the Premier's travel in Ontario, within Canada and international, and you'll provide us with your travel budget for you as a PA, and also travel for your staff, your one person, and the expenses that you would have charged against the Premier's budget for entertainment, meals or anything else.

**Ms Mushinski:** In terms of travel for my staff you will not find there will be any expenditures.

**Mr Bisson:** Oh, that'll be easy to answer. Yes, that's fine. You can report that back to us. Zero. At the end of the name just put a big zero, no travel. I just want you to provide us with that because we have to vote on these estimates.

How many staffers? I don't even need to know how many. I won't even ask because it's probably less than the former Premier, I'll be told. You have staff who work for the Premier's office, I take it. You have communication assistants, chiefs of staff, sundry staff people who work for the Premier. Do any of those people ever charge back meals, travel, anything like that, under the Premier's office budget?

**Ms Mushinski:** I do not have the detailed breakdown of every line item expenditure under the Premier's office.

**Mr Bisson:** You will provide it?

**Ms Mushinski:** If you want to know what the overall figures are for staffing, I can certainly provide that information.

**Mr Bisson:** I would just say, the last time the Premier's office was before a committee Chair — I think it was before you were our Chair, if I'm correct; I don't

quite remember — we were provided with that information. If you weren't, I stand corrected, Chair, I just don't remember. The former parliamentary assistant, Mr Clement, provided us with this information so that we had an opportunity to look at it, examine and decide if there was anything there we wanted to pay more attention to.

I would ask you to provide this committee with a list of who works in the Premier's office, as I asked yesterday, what their titles are, what the range of salary is, because you haven't provided me with what I asked yesterday, and whatever charges were made by those individuals against the budget of the Premier by expense sheet; if you remember, Chair, the last time the various staff people from the ministry were reported. Here's the claim they made on such-and-such a date and this is what it was all about: so much was travel, so much was food, so much was lodging. We had an opportunity to look at that and determine that everything was in order as best we could determine at that time, and I would like to have the opportunity to do so again. Could you provide us with that information for next week?

**Ms Mushinski:** It's my understanding that all of that information was requested yesterday and I mentioned at that time that, certainly, I'll be happy to provide you with that level of detail. What I can respond to, however, is —

**Mr Bisson:** It was less than the former government.

**Ms Mushinski:** — what the current staffing complement is. We currently have only 36 staff. That's down from a high of 43 under the Liberals in 1985 and 41 under the NDP in 1993. I'm quite sure that you'll agree that that's a considerable accomplishment, given the level of change that we've had to undertake. That's a huge accomplishment for such a small staff relative to previous governments. We believe that staff size is yet another indicator of how our government is committed to doing more with less and also committed to winning gold medals such as what you see in front of you in terms of providing excellent customer service.

1710

**The Chair:** Mr Pettit will now commence for the government side.

**Mr Trevor Pettit (Hamilton Mountain):** Thank you very much, Chair. Ms Mushinski, as I did yesterday, I will try not to be as harsh on you as were the opposition members.

**Ms Mushinski:** I didn't find them at all harsh, Mr Pettit.

**Mr Pettit:** OK. I will also try and bring some meaningful discussion back to this.

**Ms Mushinski:** That would be very helpful.

**Mr Bisson:** On a point of order, Chair: Were the questions I asked previously in my 20 minutes out of order in any way or not in keeping with the estimates?

**The Chair:** No, but this is not really a point of order, Mr Bisson.

**Mr Bisson:** For the record, I think the questions were very much to the point and specific to the estimates of this ministry, and I just want Mr Pettit to recognize that.



**The Chair:** Thank you for your commentary, Mr Bisson.

**Mr Pettit:** You'll notice the difference here, Chair, where we try not to interject and show some integrity when Mr Bisson is speaking, yet all we get from Bisson is buffoonery.

**The Chair:** I'll refrain from comment on the various habits of the members.

**Mr Bisson:** On a point of order, Chair: I just heard a comment by the member Mr Pettit calling me a buffoon and I ask him to withdraw that comment.

**Mr Pettit:** I did not call him a buffoon.

**Mr Bisson:** Yes, you did.

**The Chair:** Mr Pettit, I give you an opportunity to withdraw that if it was made. I'm sorry, I didn't hear that.

**Mr Pettit:** I did not call him a buffoon.

**The Chair:** Then I would ask you to continue.

**Mr Pettit:** Thank you very much. I have a question for Mr Daniels, but first I want to get back to the travel costs etc. I guess it's safe to assume that in any ministry when you're doing budgeting or forecasting, the odds are that the people doing that probably reflect back upon travel costs or the like by previous administrations. I'm just wondering if you, by chance, would have anything with you relative to the dollars that may have been expended by the previous Liberal and/or NDP government on not only domestic travel but, more particularly, foreign travel. Would you have anything on that? And if you don't, could you get it?

**Ms Mushinski:** I'm glad you raised that because certainly both the opposition and the third party should know better than to try to score political points on this particular topic. For example, who can forget that in June 1988 Mike Harris brought to light the fact that the Liberal-dominated Board of Internal Economy and committees that were either chaired by Liberals or had majority Liberal memberships approved over \$200,000 for MPP trips to places like Australia, Europe and the Nevada gambling resort of Reno?

**Mr Pettit:** Nevada gambling. Who was that?

**Ms Mushinski:** In fact the Liberals approved a 9- to 11-day trip for MPPs and staff to Geneva, Brussels and Paris.

**Mr Pettit:** Surely you jest.

**Ms Mushinski:** They approved a week — that's a whole week, Mr Chairman — for MPPs in Reno. It wasn't just for MPPs, I might add. It was also for MPP staff.

**Mr Pettit:** You wouldn't jest with the committee, would you, Ms Mushinski?

**Ms Mushinski:** No, actually, in the very next year, in November 1989 the Liberals proved that they hadn't learned the lesson the first time around when Premier David Peterson and a dozen Liberal MPPs of Italian descent went on an eight-day trip to Italy. I should add, Mr Chairman, that the NDP aren't immune to this travel bug either. While they were in government — and, by the way, they were also racking up \$11.3 billion in deficit — NDP cabinet ministers took over 17 major trips to every

corner of the world, including Asia, Europe, Africa, Mexico and the Middle East.

**Mr Pettit:** For what? Do we know what they went there for?

**Ms Mushinski:** Who can forget the Toronto Star editorial in September 1994, which comments on —

**The Chair:** Point of order, Mr Bisson?

**Mr Bisson:** She forgot Italy — Verona, Italy — twice. You forgot to mention it.

**The Chair:** That's not a point of order. Please continue, Ms Mushinski.

**Ms Mushinski:** It actually called upon the Premier of the day, Premier Rae, to justify to taxpayers the trips that were taken by Marion Boyd and Elaine Ziemba, who took trips to Malaysia, Poland and the Ukraine. I'd be happy to read excerpts from the Toronto Star article of Wednesday, June 29:

"It will cost Ontario taxpayers around \$200,000 to send MPPs to Australia, Europe and Nevada. The estimated bills for some of the trips Peterson promised to study are \$37,000 to \$44,000, which is a 9- to 11-day trip to Geneva, Paris and Brussels for staff and the 11-member finance and economic affairs committee that was studying free trade, and \$25,000 for a week in Reno for staff and the 11-member Legislative Assembly committee to attend the National Conference of State Legislatures. The trips were approved unanimously by the Liberal-dominated Board of Internal Economy and by committees that are either chaired by Liberals or have a majority Liberal membership."

That, of course, was brought to light by Mr Harris. I should also refer to an article that was published on Thursday, September 29, 1994, wherein the Toronto Star, a good newspaper, said:

"When it comes to spending public money to travel abroad, politicians need a better excuse than whim or the desire to score points with their constituents. The rash of Ontario cabinet ministers taking expensive trips overseas as the government nears the end of its mandate is bound to raise questions.

"How can Premier Bob Rae possibly justify spending about \$15,000 to send Attorney General Marion Boyd to Malaysia for nine days to attend a four-day conference on child abuse? Wouldn't a copy of the report of the conference proceedings suffice? As for the claim that she took the extra time to follow up a Rae-led spring trade mission to Malaysia, one can think of far better trade emissaries than the province's chief legal official.

"Citizenship minister Elaine Ziemba hasn't offered any convincing explanations for her trip to Poland and the Ukraine next week either. She'll go at taxpayers' expense but no one in government seems sure what the 11-day junket is meant to accomplish."

**Mr Pettit:** I don't know that I can take much more.

**Ms Mushinski:** Have you heard enough?

**Mr Pettit:** I guess it's safe to say, based on the line of questioning of the third party, that they either have a short memory or hypocrisy rules the day. It would also be safe to say that in no way, shape or form has the spending of

their current government even — I mean, surely it must pale in comparison to what you've just told.

**Ms Mushinski:** I would suggest to you, Mr Chairman, that compared to the previous NDP and Liberal records we have a very frugal record.

1720

**Mr Pettit:** I'm appalled. If I might just go to Mr Daniels now, I think it was two or three weeks back, I was reading about some of the changes they've made in Britain in the public service under Tony Blair. Are you familiar with that?

**Mr Daniels:** Yes.

**Mr Pettit:** Could you please tell us what you know about what Mr Blair has done with the public service over there?

**Mr Daniels:** In fact I was going to show some material from a conference which both Mr Blair and, more particularly, public service minister Clark attended, called Shifting Government Boundaries, in terms of new public administration in the UK. Mr Clark had visited Ontario and told both government and private sector officials that he would like Great Britain to be like Ontario and that he hoped, by the end of their mandate, that 25% of transactions would be electronic in the UK. Actually, I use that quote —

**Mr Pettit:** So you're saying that Tony Blair would like to have his public service nearer Ontario's?

**Mr Daniels:** Yes.

**Mr Wettlaufer:** And he's a socialist.

**Mr Pettit:** As the member for Kitchener says, "He's a socialist."

**Mr Bisson:** Well, they've got to clean up after many years of Conservative mismanagement.

**Mr Pettit:** That's absolutely unbelievable. I'll defer to Mr Wettlaufer.

**Mr Young:** Can I comment on that?

**The Chair:** Oh, Mr Young wants to comment.

**Mr Young:** I'd just like to comment, for the record, that the farthest I've been from Queen's Park on a government-paid trip is I went to Dryden on Bearskin Airlines and the only food was a sandwich with a cherry tomato in a plastic box.

**The Chair:** Mr Young, the committee appreciates your sharing that experience with us. Mr Wettlaufer.

**Mr Bisson:** What's your point?

**Mr Micalash:** I do that twice a week. What's your point?

**Mr Wettlaufer:** Mr Daniels, I'd like to direct some comments to you because I would like to hear a little bit more of what you have to say.

**The Chair:** Order.

**Mr Bisson:** Imagine that. We have to travel every week back to our ridings. We should stay here, Frank.

**The Chair:** Order. Mr Wettlaufer, please proceed.

**Mr Wettlaufer:** It's pretty hard to talk over Mr Micalash and Mr Bisson, but I will give it my best shot.

Mr Daniels, I would like to direct a question to you. I'd like to hear a little bit more about what you say as far as the efficiency of the civil service is concerned. In 1993 a

book was written by David Osborne and Ted Gaebler entitled *Reinventing Government*. The book talked about the bankruptcy of bureaucracy and how the system developed, how it was allowed to develop and the fact that we had rather unethical businesses in the late 1800s, the turn of the century, and how some of the presidents, ie, Theodore Roosevelt, decided that a bureaucracy was the way to go, and that for a time it did serve the public interest quite well.

That was great because they didn't have the information system then that we have now. People didn't have the expectations then that they have now of the public service. While it provided some security and stability, it couldn't meet the demands of today. It's a very interesting thesis on why the bureaucracy must change. I'd like to hear more of what you have to say in that regard.

**Mr Daniels:** Actually, the Gaebler and Osborne book was a groundbreaking book that led to government restructuring in the United States. It also finds its roots in the United Kingdom in the reforms of the Thatcher government, where you see a lot of the things that happening across the Commonwealth. In the national performance review by Al Gore I was quite pleased, as a Canadian, to see that they always refer to the starting of government reform in the UK. I know they're not of the same political stripe, and I'm not a politician, but it's good to see that people are copying each other. It doesn't matter. It's the reform of government that's most important. That for me, as a public servant, is the best thing. We can make it better, and there are ways of making it better.

Gaebler and Osborne talked about something that we have done really well in Ontario and that is finding alternative ways of dealing with service delivery. Gaebler and Osborne came up with the famous quote that government should, "Steer, not row, the boat of government." What it was saying there is, government should be expert in policy, policy development, setting agendas, being the moral steward. If I can show a slide —

**Mr Wettlaufer:** Please do.

**Mr Daniels:** This is actually Canadian — you're quoting from Gaebler and Osborne, who you did a lot of work in the United States. Here's a really interesting piece of work for the Federal government of Canada by a research firm, Ekos, a guy called Frank Greaves. He's really articulate when he presents it. He did several thousand Canadians, a major study on what they thought government of today and tomorrow would be. This sort of goes with what you were talking about: the rowing and steering that Gaebler and Osborne talked about. I find it interesting. He says that government should not be worrying about its vertical control, ie, up and down its ministries. I think that's really important. We've got to start knitting around program and output, not just around ourselves.

When I talk about vertical and horizontal and about the last one, organizational imperative versus the customer imperative, if you want to see where government has got it wrong, go to the blue pages and find in there that the government lists itself in three governments: federal,



provincial and municipal. Then, within the federal, provincial and municipal, does it ever talk about its products? No. It only talks about its departments, its branches and its ministries.

At one time I was the registrar general, and birth certificates are what that branch is about. It's in the Ministry of Consumer and Commercial Relations, and children are not usually a commercial transaction, but that's where it's housed. You would never think to find a birth certificate in the blue pages under Consumer and Commercial Relations unless you're a historian like I was and understand naming culture. What the heck is a registrar general? That's called the Office of the Registrar General. How many Canadians know what the heck it is? Why not call it the birth certificate office?

We just developed new blue pages in Kingston. All three levels of government said, "Let's just put the products out," so it says, "hunting licence," "fishing license." That's what it is and that's what the citizen wants. They don't care what level of government gives it, "Just give me the program." So, we're getting it right.

**Mr Parker:** You'll put my annual calendar out of business.

**Mr Daniels:** That's the whole purpose of my annual mailing. I'll decode the government phone book. If you go to Kingston, Mr Parker, you'll see blue pages that are done on product — remember I said to change government from citizen-state. There's nothing wrong with citizen-state if you look at the government as producer and the people who receive it as customers. This little slide is what it's all about.

**Mr Parker:** Congratulations.

**Mr Doyle:** I can recall trying to get hold of a government office one time. My call was transferred 22 times from the time I started to call and I still never got what I was looking for.

**Mr Daniels:** Again, the blue pages wouldn't help you because you would be phoning — I think of that birth certificate. If I were a Canadian knowing a little bit about this stuff, I would have thought that Stats Can must keep my birth certificate, so I'd look all through the Canadian side of the blue pages and then find it's not there. Then I'd say, "Didn't I register my birth at the municipality?" which is true, and I'd look in that part of the thing and I wouldn't find it there either.

**Mr Doyle:** I might add that this happened about 10 years ago.

**Mr Wettlaufer:** During the Liberal administration.

**Mr Daniels:** Anyway, we're getting better. I think the key to government of the future, as it says here, is that government should only steer, it should be customer-centred, it should think about products and being organized horizontally rather than vertically and be a partner with its citizens and all its sectors. Those are pretty good. Then look at the surviving and new roles. They're pretty good roles for government: visionary planner, guardian, moral steward, economic framework steward. Those are the roles that citizens in Canada see for their governments.

You asked about that and that's at the heart of what restructuring government is about.

Gaebler and Osborne also talked about delivering government in an alternative way. I know we talked earlier about people losing their jobs, but there's another side to that story. I was responsible for the establishment of Teranet, which had an interesting history, but today it's one of the best news stories in public administration. Teranet started with 61 public servants and it now has close to 600 staff directly employed by Teranet. It has created over 2,000 jobs in the economy. This is a profit-making company of which government is a 50-50 shareholder. It's a wonderful story.

1730

**Mr Bisson:** Who started it? Was that the NDP government again? Oh, gee, not again.

**Mr Daniels:** All government had a hand in it.

**Mr Wettlaufer:** We'll give you credit for it.

**Ms Mushinski:** Absolutely. Just like hospital reform.

**Mr Parker:** Just like the current hospital reform.

**Mr Daniels:** The project covers all three governments. They have worked hard to get this Teranet project going.

**Mr Bisson:** So it wasn't a lost 10 years after all. I'm beginning to believe the mantra.

**Mr Daniels:** What it has done in the last couple of years is create over 2,000 jobs.

**The Chair:** Thank you, Mr Daniels. Now we turn to the official opposition. Mr Miclash.

**Mr Bisson:** On a point of order, Mr Chair: I would ask for unanimous consent to give him another five minutes. I find him most fascinating.

**The Chair:** We have a request for unanimous consent.

**Mr Bisson:** It comes off the Tory time next time.

**The Chair:** I see. I think it's probably out of order to suggest that from the beginning. I'll ask Mr Miclash to proceed.

**Mr Miclash:** My question is to the parliamentary assistant, who rattled off a great number of figures about travel in previous governments. I need to know from her how much it cost the Premier when he came to Kenora by jet, had the jet sit out on the tarmac to go fishing with his son, how much downtime there was, what that downtime cost specifically, what the cost of the jet into Kenora was, the total cost, how many staff were with him and who else was with him on that jet when he came fishing in Kenora. She had a lot of specifics regarding other government travel. I would like to know those specifics.

**Mr Young:** Are you trying to say you don't want the Premier to come to the north? You don't want the Premier to come to Kenora?

**The Chair:** Mr Young, please let Mrs Mushinski answer.

**Ms Mushinski:** I don't have the specific details of that question. Again, Mr Chairman, I'll be happy to take the question under advisement.

**Mr Miclash:** I'm confused. With all due respect, PA, you had a great amount of specifics about other government travel. Why would you not have this government travel at your fingertips? I'm totally confused.



**Mr Bisson:** Good question.

**Mr Wettlaufer:** We've noticed for three years that you're confused.

**Mr Miclash:** I don't think that was appropriate.

**The Chair:** Go ahead, Mrs Mushinski.

**Mrs Mushinski:** The specific information I've provided was required to be submitted, certainly, for the estimates. I certainly did give you the information pertaining to the Premier's office travel budget. The information I provided you with was really in response to those questions. If there are specific details pertaining to that budget, as I had suggested, I would be happy to provide you with that.

**Mr Miclash:** I want to go back to a comment that was just made, whether it was on the record or not, by the Conservative member Mr Young: "I always want the Premier to come to Kenora and I always encourage the Premier to come to Kenora; I encourage ministers to come to Kenora." He indicated earlier through some of his comments that yes, he had been to Dryden, that we were happy to see him in Dryden. I'm not sure Bearskin are going to be too happy with the comments he put on the record regarding their services, but that's beside the point.

What I have to stress here to the PA is that when the Premier was in Kenora he did not meet, and he refused to meet, with any groups that asked for meetings with him during that visit. There were a good number of requests made. There were a number of presentations made to him when he was on the dock participating in the fishing event and bringing in his catch. Yet, he refused an audience with any of the many groups that met with him. I just wanted to get that on the record.

Back to some other comments made here earlier regarding travel in northwestern Ontario: I certainly look forward to reviewing those comments on Hansard. I hear it every day; it's a typical attitude of this government when it comes to northern Ontario and northwestern Ontario. I go back to Mr Daniels. With all due respect, Mr Daniels, I really appreciate the things you've said in terms of your presentation, but what we don't hear about, what this government doesn't seem to hear about is the number of lives that are affected when a government cuts back. It just doesn't seem to get the message when a number of people are laid off, when services aren't provided. At our local hospital right now we're into some real problems where this government just does not seem to get the message that we need some of these programs in order to allow psychiatric services to patients.

**Mr Young:** On a point of order, Mr Chair: These are important issues but they really aren't related to the estimates of the Premier's office.

**The Chair:** Mr Young —

**Mr Miclash:** I'm commenting on his report to us. He spent 20 minutes of your time giving us a report. I'm asking questions about his report. I'm making comments on his report. Is that out of order, Chair?

**The Chair:** Mr Miclash, you are in order. Mr Young, you are not. Please continue.

**Mr Young:** You made a ruling earlier that the questions had to relate to the estimates of the Premier's office and the member's comments are not.

**The Chair:** Mr Young, we've spent an undue amount of time talking about process today. I'd like the committee to continue to move forward. I have ruled on that, I believe I am in conformance with that ruling and I'd ask you to observe that. Mr Miclash, please continue.

**Mr Miclash:** Again a question to Mr Daniels. In terms of the evidence you gave when you were audited for this award or however it happened, were there ever any questions about what layoffs from the government did for the citizens of that particular province?

**Mr Daniels:** A number of the alternatives I talked about were actually job creation alternatives, moving from government being the sole deliverer to going into partnership. Teranet, as I was telling you earlier, moved from 61 public servants to 1,000 jobs in the private sector, directly created. Teranet is one of the top companies in Canada in terms of high-end technology employers. It has less than a one per cent staff turnover, and last month those staff, all staff at all levels, got a two-week salary bonus for productivity and performance of the company. I think we should always look at that.

Also, the government transferred its laboratories, its research and its education to the University of Guelph without a job loss. The benefits and salaries of the staff improved. The Teranet staff, as you can see, will make better money than a public servant because it's a competitive market. They're a high-tech company. The Ontario government's technology salaries are not yet competitive. We're losing at a rate of 17%. Teranet doesn't lose staff. The average age of the public service is 48; Teranet's is 28. Sometimes when you have to compete in a high-tech market, it is better to move it out of government. We moved our high-technology services out of government. We've also —

*Interjections.*

**Mr Daniels:** Yes. If we're going to be in laboratories and research, I think it was right for us to move. Another wonderful experience that's paying off very well is a movement of all our inspection, investigation and technical standards, which was about a year and a half ago. Mr Parker helped me get that legislation through on industry self-management.

We had lost our way as civil servants or as a delivery of service. I had 40 clerks and one inspector looking after real estate. We collected \$6 million in revenue and spent \$2 million on keeping the industry fair. But we created a self-management industry. It has increased the number of inspectors and it has provided a public-private partnership of delivery where the consumers' association is a member of the board, users of the real estate industries are members of the board and the public service is a member of the board. It's a board of directors were all stakeholders are directing the industry and keeping a level playing field.

Again, 300 jobs left the public service. Nobody lost their job. In fact, those people's salaries went up and their benefits were improved. We recently conducted a staff

survey in the 90 percentile of job satisfaction at the Technical Standards and Safety Authority. I think you have to look very carefully at all these stories and put them in balance, because you're seeing people who move out of government into new relationships with higher morale. Teranet staff productivity improved 250%. They didn't have any kind of transfer of genetic skills. They were just better tools, better rewards and better recognition. Government is a fair employer but it's a level employer. It can't give the same kinds of rewards and recognitions that the private sector can.

**1740**

I also want to talk to you about another good-news story and it's in the northwest. I was the assistant deputy minister responsible for the transfer to Thunder Bay of the registrar general: a wonderful story and probably one of the best stories in government in terms of relocation. Over 130 staff work in Thunder Bay; 80% were single mothers off welfare, in real, good jobs; 20% were First Nations; 20% were physically challenged: deaf, blind, quadriplegia, paraplegia. It's an exciting opportunity. They have imaging technology, therefore if you're without limbs you just talk to the machine. We created a model workplace in Ontario. None of those staff has left and their productivity is 60% higher than the group we had in Toronto because of tools and skills, but also recognizing people working together in a workplace based on a model that was called "knowledge workers," where you're paid for what you learn, not for seniority or time. You move from class to class, from job to job in a wonderful place where you're paid for your knowledge. Everybody teaches and everybody learns and at any time of their cycle they're both the teacher and a learner, so everybody is equal.

It's a place where the job classification has only one job title and one pay grade for the entire workforce at the front end and it's called "customer service representative." It's not called "data entry clerk" or "phone operator." We said: "Everybody is the same. Let's empower the whole team to be the same." Organizations should look like that and behave like that. We've got some great places and high productivity both in and out of government. I don't think we take credit for all the things we've done in terms of creating a good workplace, but also, the workplaces that alternative deliveries have created are world-class and we should be really proud of what we've all accomplished. It's a good thing we've all focused on: service to Ontarians.

**The Chair:** Thank you Mr Daniels. Mr Michash.

**Mr Michash:** I didn't think my question had asked all that —

**Ms Mushinski:** It was an excellent question.

**Mr Young:** Ask it again.

**Interjection:** You asked about people losing their jobs.

**Mr Michash:** I want to go back to the fact that you stated that 60% of folks don't think government is doing a good job. That relates very well to Mr Doyle's comment about being what I call "clicked over" 22 times in trying to make a —

**Mr Doyle:** That was 10 years ago.

**Mr Michash:** I understand that. I still think that was one of the biggest comments of a good number of the folks who just returned my survey, that they were sick and tired of talking to a machine. You have a member of the Conservative Party at the present time who has introduced a private member's resolution. Yes, he still is a member of the Conservative Party. Mr Daniels, I would just like to ask you how you think government can go about changing so that we don't have 60% of the folks out there thinking they don't do a good job. I can understand it with this present government but I'm talking about government in general.

**Mr Daniels:** The point I wanted to make there by showing that survey from the National Quality Institute is to show you that when government is aggregated, and that was all government — federal, provincial and municipal. It didn't differentiate between the kind of service we provided. This slide I've put up is really important, not just to focus on the 40%; that's what people think in general. Even the private sector can only score 5.8% when you ask about them in general. But when you ask about certain public services, and the number one public service in Ontario is the parks, our provincial parks are rated very high. What we've got to look at is, what do the public libraries offer, and can we emulate why they are so popular with Canadians? Public libraries are important because they integrate the community, the government, they offer a multiple level of service. They are a clustering place.

The Ontario Business Connects workstations are in libraries where they should be. That's a good place for government to be accessible: where citizens access it. This gives us a good signal of what we should be doing in the future.

My vision of the public service of the future is that it's not a bunch of ministries and departments but a bunch of programs that circle around the needs of the citizens. We should be really proud of Ontario Business Connects and we should be proud of — I didn't even get to talk about it — Service Ontario, which lets you get a driver's licence in three minutes.

**The Chair:** Mr Cleary.

**Mr Cleary:** Being that Mr Daniels had brought up the provincial parks of Ontario, I agreed with him that at one time they were great parks and everything, and in our part of eastern Ontario, the St Lawrence Parks Commission, I think they're a disgrace. They've been closed. They used to have all kinds of campers coming in from the province of Quebec, from the United States, and they were good for small business and they've been closed. Maybe you could give me some advice on how we might get those parks opened again. This government will not even talk to the municipalities or anyone else about opening these parks. In my particular area they're in South Glengarry, namely Raisin River, Charlottenburg, Lakeview Heights parks. I know you said you're proud, but I'm not proud. They're closed; they're a disaster. Everything has rotted. The buildings have been vandalized and smashed down. I just wanted to mention it. Maybe you've got some good advice



for me on how we might get those parks open? Give government a lesson.

**Ms Mushinski:** Mr Chairman, I believe that perhaps is a question with respect to estimates as they pertain to parks that are open and parks that have been closed.

**The Chair:** Ms Mushinski, I want to be clear: It is not up to me to deal with the quality of your answers. The liberties that are taken here to explore the expenditures of the Premier's office run both ways. I don't arbitrate your answers when you talk either in a partisan form or more broadly about issues. I would ask that these interventions not be obstreperous; that we allow for some flow of dialogue. If you choose not to answer, that's fine, but please don't reference the fact that it's not appropriate for this committee. I've ruled on that. These issues have been raised by people representing the government's side, and I think it's important for future discussions that we're going to have on this that we don't try to have the rules work one way.

**Ms Mushinski:** Mr Chairman, with the greatest of respect, if you had given me the opportunity to finish my answer, I was about to say that I will take that particular question under advisement and get a response. I do not believe that it is a question dealing with the management of this government but more to do with the parks that are closing, and have to do with the Ministry of Natural Resources and the parks policy. I will get a response to that. I do not believe that I was being at all obstreperous in my response to Mr Cleary.

**Mr Young:** Mr Chair, on a point of order.

**The Chair:** Ms Mushinski, I want to explain: I thought you were finished speaking. On several other occasions you've declined to respond on those grounds, and that is your right and your privilege.

**Ms Mushinski:** You've given me the opportunity to respond fully.

**The Chair:** I just want to make sure because it can affect how other people will participate in these discussions. There is nothing about Mr Cleary's discussion with items that have been raised by members of your staff that is outside the purview of this committee. If we stand agreed on that, then that's fine.

**Ms Mushinski:** I did not say that, Mr Chair, with respect.

**The Chair:** I don't mean to make any inference. I appreciate your clarification. I believe that Mr Young has a point of order.

**Mr Young:** I do, Chair. With all due respect, I believe it's beyond your authority to make comment on the quality of the answers in committee. I don't see our Speaker in the House making comment on the quality of the answers in the House.

**The Chair:** Mr Young, I made no comment on the quality of the —

**Mr Young:** It's beyond your authority.

**The Chair:** You are not in a point of order, and we'll ask Mr Cleary to continue.

**Mr Cleary:** Thanks Mr Chair. I've been very careful in this committee to only ask questions that have been

brought up by the parliamentary assistant, in this case Mr Daniels, and how proud he was of the parks of Ontario. I'm just telling him that I differ from that because I'm not proud of the way they've been used and the way they are right now. I just want to ask for his advice on how we might get attention because the municipalities are interested in working out an agreement with this provincial government on the parks. We almost had an agreement at one time but it got scuttled in cabinet somehow. I'm asking this of Mr Daniels.

**Mr Daniels:** When I was talking about parks it was that in terms of the Canadian public and the Ontario public, the parks are rated in the top two or three services in Canada. The Ministry of Natural Resources conducted a survey on its services last year through Goldfarb and Associates and found that their parks were running at an 85% customer satisfaction rate. In other words, people are satisfied with the parks and they use them. In that booklet we passed around there's a good story about the park in Bronte and its accessibility to the disabled.

**Mr Cleary:** I read that.

**Mr Daniels:** You should all read that: how a park can be a city park and be really exciting. Bronte Park is a good story and it's written up in the article.

**Mr Cleary:** That was exactly my point. You said they're proud, and I had said I'm proud of them too, but I'm not proud of the ones that have been closed and vandalized and a government or a government service that will not listen to local people who are interested in possibly working out some kind of agreement to open them. That was my comment. I wouldn't have brought it up, only you had brought it up, so I thought I should have something to say here too.

**The Acting Chair (Mr Micalash):** Thank you very much Mr Cleary. We'll move on.

**Mr Cleary:** Are we done?

**The Acting Chair:** Yes we are.

**Mr Cleary:** We're just getting started here.

**The Acting Chair:** I'm sorry, I took up a lot of time. Mr Bisson.

**Mr Bisson:** I just want to put something on the record vis-à-vis my —

*Interjections.*

**The Acting Chair:** Order. Mr Bisson.

**Mr Pettit:** They have never been used.

**The Acting Chair:** Mr Pettit, Mr Bisson has the floor.

**Mr Pettit:** I was just replying to Mr Cleary.

**Mr Bisson:** I would like to put on the record my view to a question that was asked earlier vis-à-vis the Premier travelling to Kenora and bringing his son with him on a fishing trip. I don't have an objection to the Premier's bringing his son with him. God knows, I may not like the Premier of Ontario and his policies, but we know that the job of the Premier takes him away from his family, as it does all members of this assembly. I think that as members we should recognize among ourselves, and also openly with the public, that our jobs take us away from our families. We should never engage in anything that would somehow infer that bringing your children



**Mr Bisson:** When was that started? Under the NDP government.

**Mr Young:** How do you start a small business in Bob Rae's Ontario? You start with a big business and wait.

**Mr Bisson:** You guys are so mean and partisan.

**Mr Cleary:** The other thing that I'd like to ask the parliamentary assistant is, I see in the estimates book travel and communication. What all is involved in that, "Transportation and Communication"?

**Ms Mushinski:** "Travel and Communication." Hang on, just let me check my notes here.

**Mr Cleary:** That's in your estimates, Office of the Premier.

**Ms Mushinski:** OK, you want both the transportation and communication?

**Mr Cleary:** This "Transportation and Communication," I just wonder what all is involved in that.

**Ms Mushinski:** You want an actual line-by-line breakdown of all of the expenses?

**Mr Cleary:** Well, I'd like to know something.

**Ms Mushinski:** It represents \$70,000, or 2.4%, which is travelling, relocation expenses, postage, courier and telephone charges.

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**Mr Cleary:** Whose travelling?

**Ms Mushinski:** For the whole staff in the Premier's office.

**Mr Cleary:** And where does the Premier's transportation show up, his travel?

**Ms Mushinski:** That's included in the overall. You wanted a specific breakdown for the Premier?

**Mr Cleary:** No. He goes on these — like he's on right now, and I'd just like to know where that money is coming from.

**Ms Mushinski:** The Office of the Premier spent \$12,933 in 1997.

*Interjections.*

**The Chair:** Order, please.

**Ms Mushinski:** That's 2.4% of the overall —

**The Chair:** Ms Mushinski, you said that you have a number for this year as well.

**Ms Mushinski:** Yes, for "Transportation and Communication" it's \$70,000.

**The Chair:** Mr Cleary, I'll have to ask you to pursue this question in the next round that you have. Now I'd like to turn to the third party, Mr Bisson.

**Mr Bisson:** I want to follow up on the question just asked previously, which is, can you tell us how much money was set aside in last year's estimates vis-à-vis the amount of travel that was done by the Premier directly. How much money did it cost the taxpayers of Ontario, excluding his trips as an MPP? We know that's reported under another act. What is it in his travels as Premier; what did that cost us? Can you give us that number?

**Ms Mushinski:** The Office of the Premier, as I say, spent \$12,933 on travel last year.

**Mr Bisson:** Say that again? The Office of the Premier spent —

**Ms Mushinski:** Spent \$12,933.

**Mr Bisson:** That's for the entire Premier's office, for all of the travel in the Premier's office?

**Ms Mushinski:** Yes.

**Mr Bisson:** That includes the Premier of Ontario?

**Ms Mushinski:** Yes, it does.

**Mr Bisson:** OK. I'm just curious. I assume this Premier, like every Premier before him, travels to various parts of the province making announcements on behalf of his government and representing his government at various events. Does he travel in a Volkswagen or in a Honda or is it a motorcycle? There's got to be just gas charges here, because certainly an airline ticket —

**Ms Mushinski:** With respect to the Premier's international travel —

**Mr Bisson:** No, I don't want to go there right now. I'm looking at travel within Ontario for the Premier of Ontario, excluding his MPP travel, because all of us members have the ability to travel to our ridings 52 times per year, in other words one trip per week to and from work, and we're entitled to 12 trips per year within the province and the mileage within our riding. I want to exclude that because we already know that. It's reported. What I'm asking is, how much money did it cost us to travel the Premier around his various responsibilities and events last year, excluding his travel as MPP within the province of Ontario?

**Ms Mushinski:** As I explained, for 1997, the overall cost of travel for the Premier's office was \$12,933. I don't have the specific breakdown for the Premier. That's for the overall Premier's office expenditure, but certainly I would be happy to provide that particular breakdown.

**Mr Bisson:** This Premier is no different from any Premier before: He travels. This is not a comment on the ability of the Premier to travel, because we want him to represent his government in different parts of the province. I know, for example, that the Premier was in the city of Timmins making a nice announcement not more than five months ago, which I attended. It was a very nice announcement vis-à-vis tourism dollars and I know he got there by plane. In fact, it wasn't on the plane that I travelled, because I flew the commercial flight of Air Ontario. He came in on the government plane, which he's entitled to do; I don't begrudge him that. I understand the Premier has a tight schedule and it's very difficult for him to make scheduled flights, so I don't profess that I want him to do that — plus, there are security matters that have to be dealt with.

My question is that I'm sure the travel of the Premier has got to be more than 12,000 bucks, considering just the trip he would have made to Timmins. That would have cost 4,000 or 5,000 bucks right there for the rental of the aircraft and other things. So in which way do you account for that? Is there some way you can provide us some numbers as to how much it was charged back to the MNR?

**Ms Mushinski:** I've given you the information that I have, and certainly with regard to this specific breakdown for the Premier, I'll take that question under advisement and attempt to get that information.

**Mr Bisson:** Just to be helpful, there must be somebody on staff here with the Premier's office who can explain to this committee how we account for travel. We know there's a plane — as a matter of fact there were two of them the last time I checked that belong to the Ministry of Natural Resources that are at the disposition of ministers, parliamentary assistants and the Premier, rightfully so. I don't make any argument against that.

When I was a parliamentary assistant I utilized that plane on a number of occasions and I would have to account for it through my budget as a parliamentary assistant. The Ministry of Natural Resources would say, "Here's the cost for utilizing that aircraft to your budget," and we accounted for it in some way, and that showed up. I think if I spent more than \$10,000 per year, that number was published so that everybody knew what the PA of northern development was spending. I imagine it's the same with the Premier. Can somebody here from the Premier's office tell us how much travel was charged back to the MNR in regard to that plane and other travels?

**Ms Mushinski:** As I suggested, I don't have that information available immediately. I certainly will attempt to get it.

**Mr Bisson:** So you will provide us with that information?

**Ms Mushinski:** Most certainly.

**Mr Bisson:** Can I just ask the Chair a question? We have how much time left at estimates overall with the Premier's office?

**The Chair:** I'll provide that to you in just a moment.

**Mr Bisson:** As I'm asking the next question, because I want to make sure we have the chance to see each other again so we can take a look at that. I want you to be clear as to what I'm looking for. I don't want his travel as a member of the Legislature. We know what that is. I'm looking specifically for how much money it cost for the Premier to travel within the province of Ontario for his job as the Premier — so every time that he would utilize the MNR plane, or utilize the cars that are available to him, commercial flights that may have been scheduled, or other charters that may have been done. Separate from that, I would also like to have a breakdown of his travel outside the province of Ontario, travel within Canada, then international travel. If you guys can provide us with that, we'd appreciate that. Is that clear? Is there any question to clarify? You understand what I'm asking for?

**Ms Mushinski:** Yes, I do indeed.

**Mr Bisson:** Thank you. That's most helpful.

**Ms Mushinski:** I will attempt to get that information expeditiously.

**Mr Bisson:** All right, as he's still adding up the hours of the estimates for the Premier's office, I will move to the second question. I just want to make a comment to my friend who sits to the left of you. Your name again was?

**Mr Daniels:** Art Daniels.

**Ms Mushinski:** That's to the right of me, Mr Bisson.

**Mr Bisson:** To my left. I always look to the left; I never look to the right.

**Ms Mushinski:** Believe me, I know the difference between left and right.

**Mr Bisson:** Thank God. Thank the bejesus that you know the difference between something. Anyway, Cabinet Office: I just want to make a general comment.

**The Chair:** That was unnecessary, Mr Bisson, please.

**Mr Bisson:** I first of all want to congratulate you for your long years of service not only to this government but to former governments in the province of Ontario, because I know you to be an honourable person who's served the province well. I think that should be put on the record. There are many people like you who try to do the very best they can with all stripes of government. You may or may not like a particular government, but I've always found the civil service to be very professional in doing its duties vis-à-vis following the policies of the government and I want to thank you for those years of service.

I also want to thank you for reminding my good Conservative friends of the good NDP initiative that we started back when we were in government, which was called Clearing the Path, which allowed for businesses to register on-line across the province rather than having to send away to get all the papers. In fact, I was at the ribbon-cutting of the very first kiosk that was set up in the city of Timmins. It was the first pilot. I remember that well. As a matter of fact, it's still up and running and quite successful. The NDP government did some things right, it would seem.

All right, on to the next question. Could we have an answer to my question to the Chair first?

**The Chair:** We have approximately two hours and 58 minutes remaining in this section dealing with the Premier's office.

**Mr Bisson:** We'll be back next week, so, to the parliamentary assistant, you'll provide the answers to my question of the three areas of expenses, within Ontario, within Canada and internationally, by next week?

1700

**Ms Mushinski:** In terms of the international travel, which Mr Bisson has just mentioned, the Premier's international travel falls under the Ministry of Economic Development, Trade and Tourism. I can speak to that but as far as the estimates themselves are concerned, they would fall under that ministry's estimates.

**Mr Bisson:** You will attempt to provide us with that information, I take it, is what you're trying to say. That is good.

I just have another question: Does the Premier ever talk to you?

**Ms Mushinski:** What kind of a question is that?

**Mr Bisson:** Well, it's a question. You're his parliamentary assistant.

**Mr Wayne Wettlaufer (Kitchener):** What does that have to do with the price of tea in China? Come on, be relevant.

**Mr Bisson:** I want to know if the Premier talks to the parliamentary assistant. You're his parliamentary assistant.

**Ms Mushinski:** Of course he does.



**Mr Bisson:** OK, that's good. We're getting somewhere. When he talks to you generally, does he talk to you about policy matters or just, "Hi, how's it going?"

**Ms Mushinski:** Again, the conversations that I have with the Premier in terms of estimates I would be happy to respond to, but I don't think that I should be getting into a long dialogue about the conversations that the Premier has with me.

**Mr Bisson:** I'm not asking for an itinerary of what you talk about.

**The Chair:** Mr Bisson, I'll ask you to connect this to something in the Premier's office please.

**Mr Bisson:** I am connecting it.

**The Chair:** Thank you.

**Mr Bisson:** You will see, my friend the Chair.

Your salary, Parliamentary Assistant, is one of the items that is part of the estimates of the Premier of Ontario?

**Ms Mushinski:** Mr Chairman, I answered that question yesterday. My salary, along with every other parliamentary assistant's salary, is determined by statute.

**Mr Bisson:** That's right, and I don't argue the amount of money you get. It's probably not nearly enough to compensate you for the work that you do. The point I'm trying to connect here is that you have an office as parliamentary assistant to the Premier, and the budget to operate that office is part of these estimates, is it they not?

**Ms Mushinski:** Yes.

**Mr Bisson:** Thank you. That's why I was asking. So if you have an office within the purview of these estimates, I can ask a very simple question like, do you have staff who work for you? Do you have one or two people?

**Ms Mushinski:** I do have staff.

**Mr Bisson:** We don't need names, just one or two? How many people do you have working for you in your PA's office?

**Ms Mushinski:** I have a legislative assistant —

**Mr Bisson:** As a member, to which we're all entitled. I understand that. I'm talking about your PA's budget that falls under these estimates.

**Ms Mushinski:** The PA's budget is precisely the same in the Premier's office as it is for every other parliamentary assistant.

**Mr Bisson:** I'm not attacking —

**The Chair:** I think, if I may, the specific question was, do you have staff that are paid for under this vote? I think that was the specific question.

**Ms Mushinski:** Yes, in accordance with —

**Mr Bisson:** Yes, so do you have one or two? I'm just asking the question.

**Ms Mushinski:** I have —

**Mr Bisson:** I know we all have staff as MPPs. We're entitled, in my caucus, to three and a half staff paid by the Legislative Assembly. As a PA, do you have one executive assistant or is it two? I'm just asking. Do you know how many people work for you? That's all I want to know.

**The Chair:** Mr Bisson, please. We'd like to keep the tone of this constructive.

**Mr Bisson:** I'm trying to be constructive. It's a simple answer.

**The Chair:** That wasn't. We'd like to give Ms Mushinski a chance to answer.

**Mr Bisson:** Ask me how many people work for me. I'll tell you the answer. It's pretty simple.

**Ms Mushinski:** If you want me to get into comparing my record with yours, Mr Bisson, I'd be happy to do that, but I'm sure you don't.

**The Chair:** Have you had an opportunity to answer?

**Ms Mushinski:** Yes, I have one staff member paid under —

**Mr Bisson:** Thank you. That's what I was asking. We've established that under the estimates of this ministry, you have one staff paid for by the parliamentary assistant's office. We know that you have a stipend as a parliamentary assistant. You also have travel as the parliamentary assistant to the Premier. I would expect that you travel on behalf of the Premier?

**Ms Mushinski:** As I explained earlier, certainly to Mr Bisson, as the parliamentary assistant to the Premier, responsible for voluntary action, most certainly I have undertaken a number of visits to approximately 20 communities in Ontario, recognizing volunteers through the provincial awards ceremony which is delivered as a part of the Ministry of Citizenship, Culture and Recreation.

**Mr Bisson:** Do you do any travel for the Premier's office? That's all I'm asking. Yes or no.

**Ms Mushinski:** Yes.

**Mr Bisson:** OK. Could you provide this committee with a list of — as well as the information I wanted from the Premier's office — how much travel is charged back to the Premier's office in your capacity as the parliamentary assistant? Can you provide us with those answers?

**Ms Mushinski:** By all means, sir.

**Mr Bisson:** Do you have it with you or is that something you'll have to bring back next week?

**Ms Mushinski:** No, I don't have those specific details but I would be most happy to provide them next time.

**Mr Bisson:** Do you ever go out for supper, business meetings, that kind of stuff and have charges — because you're entitled to it; I make no bones about that — for suppers, meetings, anything like that, in your capacity as a PA?

**Ms Mushinski:** They are not covered under my parliamentary assistant's budget.

**Mr Bisson:** That's news. You never would charge back to the Premier's office any expenses incurred for a supper meeting, entertaining guests of the Premier or anything like that? You would not charge any of that back to the Premier's office?

**Ms Mushinski:** Not to the parliamentary assistant's budget.

**Mr Bisson:** So you would have no difficulty providing me with the list of expenditures against your budget as a parliamentary assistant for yourself or your staff when it comes to travel and entertainment, supper, that kind of stuff?

**Ms Mushinski:** I believe all that information is available, and I'd be happy to provide it.

**Mr Bisson:** You will provide it. Very good. That's what I'm asking for.

**Mr Wettlaufer:** As long as it's compared with the PA under your administration.

**The Chair:** We're about to reach your turn, Mr Wettlaufer.

**Mr Bisson:** You'll get your turn and if you want to see my records, you're more than entitled. I'll give them to you.

**Ms Mushinski:** I'll be happy to provide that to the government side too.

**Mr Bisson:** I have no difficulty providing that.

**Mr Wettlaufer:** I bet you she doesn't buy \$50 bottles of wine.

**Mr Bisson:** I couldn't afford to buy a \$50 bottle of wine. I have to make my own.

**Mr Wettlaufer:** Some of your people did.

**Mr Bisson:** I'm a poor working person. My wine is a lot better.

**Ms Mushinski:** Not to mention the number of political staffers that they had under the NDP.

**Mr Bisson:** Yes, I had a political staff person.

**Mr Wettlaufer:** That's right. You people knew how to travel first class.

**Mr Bisson:** I wish we did. We didn't. Maybe we should have.

All right. So far we know we're going to get information vis-à-vis the Premier's travel in Ontario, within Canada and international, and you'll provide us with your travel budget for you as a PA, and also travel for your staff, your one person, and the expenses that you would have charged against the Premier's budget for entertainment, meals or anything else.

**Ms Mushinski:** In terms of travel for my staff you will not find there will be any expenditures.

**Mr Bisson:** Oh, that'll be easy to answer. Yes, that's fine. You can report that back to us. Zero. At the end of the name just put a big zero, no travel. I just want you to provide us with that because we have to vote on these estimates.

How many staffers? I don't even need to know how many. I won't even ask because it's probably less than the former Premier, I'll be told. You have staff who work for the Premier's office, I take it. You have communication assistants, chiefs of staff, sundry staff people who work for the Premier. Do any of those people ever charge back meals, travel, anything like that, under the Premier's office budget?

**Ms Mushinski:** I do not have the detailed breakdown of every line item expenditure under the Premier's office.

**Mr Bisson:** You will provide it?

**Ms Mushinski:** If you want to know what the overall figures are for staffing, I can certainly provide that information.

**Mr Bisson:** I would just say, the last time the Premier's office was before a committee Chair — I think it was before you were our Chair, if I'm correct; I don't

quite remember — we were provided with that information. If you weren't, I stand corrected, Chair, I just don't remember. The former parliamentary assistant, Mr Clement, provided us with this information so that we had an opportunity to look at it, examine and decide if there was anything there we wanted to pay more attention to.

I would ask you to provide this committee with a list of who works in the Premier's office, as I asked yesterday, what their titles are, what the range of salary is, because you haven't provided me with what I asked yesterday, and whatever charges were made by those individuals against the budget of the Premier by expense sheet; if you remember, Chair, the last time the various staff people from the ministry were reported. Here's the claim they made on such-and-such a date and this is what it was all about: so much was travel, so much was food, so much was lodging. We had an opportunity to look at that and determine that everything was in order as best we could determine at that time, and I would like to have the opportunity to do so again. Could you provide us with that information for next week?

**Ms Mushinski:** It's my understanding that all of that information was requested yesterday and I mentioned at that time that, certainly, I'll be happy to provide you with that level of detail. What I can respond to, however, is —

**Mr Bisson:** It was less than the former government.

**Ms Mushinski:** — what the current staffing complement is. We currently have only 36 staff. That's down from a high of 43 under the Liberals in 1985 and 41 under the NDP in 1993. I'm quite sure that you'll agree that that's a considerable accomplishment, given the level of change that we've had to undertake. That's a huge accomplishment for such a small staff relative to previous governments. We believe that staff size is yet another indicator of how our government is committed to doing more with less and also committed to winning gold medals such as what you see in front of you in terms of providing excellent customer service.

1710

**The Chair:** Mr Pettit will now commence for the government side.

**Mr Trevor Pettit (Hamilton Mountain):** Thank you very much, Chair. Ms Mushinski, as I did yesterday, I will try not to be as harsh on you as were the opposition members.

**Ms Mushinski:** I didn't find them at all harsh, Mr Pettit.

**Mr Pettit:** OK. I will also try and bring some meaningful discussion back to this.

**Ms Mushinski:** That would be very helpful.

**Mr Bisson:** On a point of order, Chair: Were the questions I asked previously in my 20 minutes out of order in any way or not in keeping with the estimates?

**The Chair:** No, but this is not really a point of order, Mr Bisson.

**Mr Bisson:** For the record, I think the questions were very much to the point and specific to the estimates of this ministry, and I just want Mr Pettit to recognize that.



**The Chair:** Thank you for your commentary, Mr Bisson.

**Mr Pettit:** You'll notice the difference here, Chair, where we try not to interject and show some integrity when Mr Bisson is speaking, yet all we get from Bisson is buffoonery.

**The Chair:** I'll refrain from comment on the various habits of the members.

**Mr Bisson:** On a point of order, Chair: I just heard a comment by the member Mr Pettit calling me a buffoon and I ask him to withdraw that comment.

**Mr Pettit:** I did not call him a buffoon.

**Mr Bisson:** Yes, you did.

**The Chair:** Mr Pettit, I give you an opportunity to withdraw that if it was made. I'm sorry, I didn't hear that.

**Mr Pettit:** I did not call him a buffoon.

**The Chair:** Then I would ask you to continue.

**Mr Pettit:** Thank you very much. I have a question for Mr Daniels, but first I want to get back to the travel costs etc. I guess it's safe to assume that in any ministry when you're doing budgeting or forecasting, the odds are that the people doing that probably reflect back upon travel costs or the like by previous administrations. I'm just wondering if you, by chance, would have anything with you relative to the dollars that may have been expended by the previous Liberal and/or NDP government on not only domestic travel but, more particularly, foreign travel. Would you have anything on that? And if you don't, could you get it?

**Ms Mushinski:** I'm glad you raised that because certainly both the opposition and the third party should know better than to try to score political points on this particular topic. For example, who can forget that in June 1988 Mike Harris brought to light the fact that the Liberal-dominated Board of Internal Economy and committees that were either chaired by Liberals or had majority Liberal memberships approved over \$200,000 for MPP trips to places like Australia, Europe and the Nevada gambling resort of Reno?

**Mr Pettit:** Nevada gambling. Who was that?

**Ms Mushinski:** In fact the Liberals approved a 9- to 11-day trip for MPPs and staff to Geneva, Brussels and Paris.

**Mr Pettit:** Surely you jest.

**Ms Mushinski:** They approved a week — that's a whole week, Mr Chairman — for MPPs in Reno. It wasn't just for MPPs, I might add. It was also for MPP staff.

**Mr Pettit:** You wouldn't jest with the committee, would you, Ms Mushinski?

**Ms Mushinski:** No, actually, in the very next year, in November 1989 the Liberals proved that they hadn't learned the lesson the first time around when Premier David Peterson and a dozen Liberal MPPs of Italian descent went on an eight-day trip to Italy. I should add, Mr Chairman, that the NDP aren't immune to this travel bug either. While they were in government — and, by the way, they were also racking up \$11.3 billion in deficit — NDP cabinet ministers took over 17 major trips to every

corner of the world, including Asia, Europe, Africa, Mexico and the Middle East.

**Mr Pettit:** For what? Do we know what they went there for?

**Ms Mushinski:** Who can forget the Toronto Star editorial in September 1994, which comments on —

**The Chair:** Point of order, Mr Bisson?

**Mr Bisson:** She forgot Italy — Verona, Italy — twice. You forgot to mention it.

**The Chair:** That's not a point of order. Please continue, Ms Mushinski.

**Ms Mushinski:** It actually called upon the Premier of the day, Premier Rae, to justify to taxpayers the trips that were taken by Marion Boyd and Elaine Ziemba, who took trips to Malaysia, Poland and the Ukraine. I'd be happy to read excerpts from the Toronto Star article of Wednesday, June 29:

"It will cost Ontario taxpayers around \$200,000 to send MPPs to Australia, Europe and Nevada. The estimated bills for some of the trips Peterson promised to study are \$37,000 to \$44,000, which is a 9-to 11-day trip to Geneva, Paris and Brussels for staff and the 11-member finance and economic affairs committee that was studying free trade, and \$25,000 for a week in Reno for staff and the 11-member Legislative Assembly committee to attend the National Conference of State Legislatures. The trips were approved unanimously by the Liberal-dominated Board of Internal Economy and by committees that are either chaired by Liberals or have a majority Liberal membership."

That, of course, was brought to light by Mr Harris. I should also refer to an article that was published on Thursday, September 29, 1994, wherein the Toronto Star, a good newspaper, said:

"When it comes to spending public money to travel abroad, politicians need a better excuse than whim or the desire to score points with their constituents. The rash of Ontario cabinet ministers taking expensive trips overseas as the government nears the end of its mandate is bound to raise questions.

"How can Premier Bob Rae possibly justify spending about \$15,000 to send Attorney General Marion Boyd to Malaysia for nine days to attend a four-day conference on child abuse? Wouldn't a copy of the report of the conference proceedings suffice? As for the claim that she took the extra time to follow up a Rae-led spring trade mission to Malaysia, one can think of far better trade emissaries than the province's chief legal official.

"Citizenship minister Elaine Ziemba hasn't offered any convincing explanations for her trip to Poland and the Ukraine next week either. She'll go at taxpayers' expense but no one in government seems sure what the 11-day junket is meant to accomplish."

**Mr Pettit:** I don't know that I can take much more.

**Ms Mushinski:** Have you heard enough?

**Mr Pettit:** I guess it's safe to say, based on the line of questioning of the third party, that they either have a short memory or hypocrisy rules the day. It would also be safe to say that in no way, shape or form has the spending of

their current government even — I mean, surely it must pale in comparison to what you've just told.

**Ms Mushinski:** I would suggest to you, Mr Chairman, that compared to the previous NDP and Liberal records we have a very frugal record.

1720

**Mr Pettit:** I'm appalled. If I might just go to Mr Daniels now, I think it was two or three weeks back, I was reading about some of the changes they've made in Britain in the public service under Tony Blair. Are you familiar with that?

**Mr Daniels:** Yes.

**Mr Pettit:** Could you please tell us what you know about what Mr Blair has done with the public service over there?

**Mr Daniels:** In fact I was going to show some material from a conference which both Mr Blair and, more particularly, public service minister Clark attended, called Shifting Government Boundaries, in terms of new public administration in the UK. Mr Clark had visited Ontario and told both government and private sector officials that he would like Great Britain to be like Ontario and that he hoped, by the end of their mandate, that 25% of transactions would be electronic in the UK. Actually, I use that quote —

**Mr Pettit:** So you're saying that Tony Blair would like to have his public service nearer Ontario's?

**Mr Daniels:** Yes.

**Mr Wettlaufer:** And he's a socialist.

**Mr Pettit:** As the member for Kitchener says, "He's a socialist."

**Mr Bisson:** Well, they've got to clean up after many years of Conservative mismanagement.

**Mr Pettit:** That's absolutely unbelievable. I'll defer to Mr Wettlaufer.

**Mr Young:** Can I comment on that?

**The Chair:** Oh, Mr Young wants to comment.

**Mr Young:** I'd just like to comment, for the record, that the farthest I've been from Queen's Park on a government-paid trip is I went to Dryden on Bearskin Airlines and the only food was a sandwich with a cherry tomato in a plastic box.

**The Chair:** Mr Young, the committee appreciates your sharing that experience with us. Mr Wettlaufer.

**Mr Bisson:** What's your point?

**Mr Michalash:** I do that twice a week. What's your point?

**Mr Wettlaufer:** Mr Daniels, I'd like to direct some comments to you because I would like to hear a little bit more of what you have to say.

**The Chair:** Order.

**Mr Bisson:** Imagine that. We have to travel every week back to our ridings. We should stay here, Frank.

**The Chair:** Order. Mr Wettlaufer, please proceed.

**Mr Wettlaufer:** It's pretty hard to talk over Mr Michalash and Mr Bisson, but I will give it my best shot.

Mr Daniels, I would like to direct a question to you. I'd like to hear a little bit more about what you say as far as the efficiency of the civil service is concerned. In 1993 a

book was written by David Osborne and Ted Gaebler entitled *Reinventing Government*. The book talked about the bankruptcy of bureaucracy and how the system developed, how it was allowed to develop and the fact that we had rather unethical businesses in the late 1800s, the turn of the century, and how some of the presidents, ie, Theodore Roosevelt, decided that a bureaucracy was the way to go, and that for a time it did serve the public interest quite well.

That was great because they didn't have the information system then that we have now. People didn't have the expectations then that they have now of the public service. While it provided some security and stability, it couldn't meet the demands of today. It's a very interesting thesis on why the bureaucracy must change. I'd like to hear more of what you have to say in that regard.

**Mr Daniels:** Actually, the Gaebler and Osborne book was a groundbreaking book that led to government restructuring in the United States. It also finds its roots in the United Kingdom in the reforms of the Thatcher government, where you see a lot of the things that happening across the Commonwealth. In the national performance review by Al Gore I was quite pleased, as a Canadian, to see that they always refer to the starting of government reform in the UK. I know they're not of the same political stripe, and I'm not a politician, but it's good to see that people are copying each other. It doesn't matter. It's the reform of government that's most important. That for me, as a public servant, is the best thing. We can make it better, and there are ways of making it better.

Gaebler and Osborne talked about something that we have done really well in Ontario and that is finding alternative ways of dealing with service delivery. Gaebler and Osborne came up with the famous quote that government should, "Steer, not row, the boat of government." What it was saying there is, government should be expert in policy, policy development, setting agendas, being the moral steward. If I can show a slide —

**Mr Wettlaufer:** Please do.

**Mr Daniels:** This is actually Canadian — you're quoting from Gaebler and Osborne, who you did a lot of work in the United States. Here's a really interesting piece of work for the Federal government of Canada by a research firm, Ekos, a guy called Frank Greaves. He's really articulate when he presents it. He did several thousand Canadians, a major study on what they thought government of today and tomorrow would be. This sort of goes with what you were talking about: the rowing and steering that Gaebler and Osborne talked about. I find it interesting. He says that government should not be worrying about its vertical control, ie, up and down its ministries. I think that's really important. We've got to start knitting around program and output, not just around ourselves.

When I talk about vertical and horizontal and about the last one, organizational imperative versus the customer imperative, if you want to see where government has got it wrong, go to the blue pages and find in there that the government lists itself in three governments: federal,



provincial and municipal. Then, within the federal, provincial and municipal, does it ever talk about its products? No. It only talks about its departments, its branches and its ministries.

At one time I was the registrar general, and birth certificates are what that branch is about. It's in the Ministry of Consumer and Commercial Relations, and children are not usually a commercial transaction, but that's where it's housed. You would never think to find a birth certificate in the blue pages under Consumer and Commercial Relations unless you're a historian like I was and understand naming culture. What the heck is a registrar general? That's called the Office of the Registrar General. How many Canadians know what the heck it is? Why not call it the birth certificate office?

We just developed new blue pages in Kingston. All three levels of government said, "Let's just put the products out," so it says, "hunting licence," "fishing license." That's what it is and that's what the citizen wants. They don't care what level of government gives it, "Just give me the program." So, we're getting it right.

**Mr Parker:** You'll put my annual calendar out of business.

**Mr Daniels:** That's the whole purpose of my annual mailing. I'll decode the government phone book. If you go to Kingston, Mr Parker, you'll see blue pages that are done on product — remember I said to change government from citizen-state. There's nothing wrong with citizen-state if you look at the government as producer and the people who receive it as customers. This little slide is what it's all about.

**Mr Parker:** Congratulations.

**Mr Doyle:** I can recall trying to get hold of a government office one time. My call was transferred 22 times from the time I started to call and I still never got what I was looking for.

**Mr Daniels:** Again, the blue pages wouldn't help you because you would be phoning — I think of that birth certificate. If I were a Canadian knowing a little bit about this stuff, I would have thought that Stats Can must keep my birth certificate, so I'd look all through the Canadian side of the blue pages and then find it's not there. Then I'd say, "Didn't I register my birth at the municipality?" which is true, and I'd look in that part of the thing and I wouldn't find it there either.

**Mr Doyle:** I might add that this happened about 10 years ago.

**Mr Wettlaufer:** During the Liberal administration.

**Mr Daniels:** Anyway, we're getting better. I think the key to government of the future, as it says here, is that government should only steer, it should be customer-centred, it should think about products and being organized horizontally rather than vertically and be a partner with its citizens and all its sectors. Those are pretty good. Then look at the surviving and new roles. They're pretty good roles for government: visionary planner, guardian, moral steward, economic framework steward. Those are the roles that citizens in Canada see for their governments.

You asked about that and that's at the heart of what restructuring government is about.

Gaebler and Osborne also talked about delivering government in an alternative way. I know we talked earlier about people losing their jobs, but there's another side to that story. I was responsible for the establishment of Teranet, which had an interesting history, but today it's one of the best news stories in public administration. Teranet started with 61 public servants and it now has close to 600 staff directly employed by Teranet. It has created over 2,000 jobs in the economy. This is a profit-making company of which government is a 50-50 shareholder. It's a wonderful story.

1730

**Mr Bisson:** Who started it? Was that the NDP government again? Oh, gee, not again.

**Mr Daniels:** All government had a hand in it.

**Mr Wettlaufer:** We'll give you credit for it.

**Ms Mushinski:** Absolutely. Just like hospital reform.

**Mr Parker:** Just like the current hospital reform.

**Mr Daniels:** The project covers all three governments. They have worked hard to get this Teranet project going.

**Mr Bisson:** So it wasn't a lost 10 years after all. I'm beginning to believe the mantra.

**Mr Daniels:** What it has done in the last couple of years is create over 2,000 jobs.

**The Chair:** Thank you, Mr Daniels. Now we turn to the official opposition. Mr Miclash.

**Mr Bisson:** On a point of order, Mr Chair: I would ask for unanimous consent to give him another five minutes. I find him most fascinating.

**The Chair:** We have a request for unanimous consent.

**Mr Bisson:** It comes off the Tory time next time.

**The Chair:** I see. I think it's probably out of order to suggest that from the beginning. I'll ask Mr Miclash to proceed.

**Mr Miclash:** My question is to the parliamentary assistant, who rattled off a great number of figures about travel in previous governments. I need to know from her how much it cost the Premier when he came to Kenora by jet, had the jet sit out on the tarmac to go fishing with his son, how much downtime there was, what that downtime cost specifically, what the cost of the jet into Kenora was, the total cost, how many staff were with him and who else was with him on that jet when he came fishing in Kenora. She had a lot of specifics regarding other government travel. I would like to know those specifics.

**Mr Young:** Are you trying to say you don't want the Premier to come to the north? You don't want the Premier to come to Kenora?

**The Chair:** Mr Young, please let Mrs Mushinski answer.

**Ms Mushinski:** I don't have the specific details of that question. Again, Mr Chairman, I'll be happy to take the question under advisement.

**Mr Miclash:** I'm confused. With all due respect, PA, you had a great amount of specifics about other government travel. Why would you not have this government travel at your fingertips? I'm totally confused.

**Mr Bisson:** Good question.

**Mr Wettlaufer:** We've noticed for three years that you're confused.

**Mr Miclash:** I don't think that was appropriate.

**The Chair:** Go ahead, Mrs Mushinski.

**Ms Mushinski:** The specific information I've provided was required to be submitted, certainly, for the estimates. I certainly did give you the information pertaining to the Premier's office travel budget. The information I provided you with was really in response to those questions. If there are specific details pertaining to that budget, as I had suggested, I would be happy to provide you with that.

**Mr Miclash:** I want to go back to a comment that was just made, whether it was on the record or not, by the Conservative member Mr Young: "I always want the Premier to come to Kenora and I always encourage the Premier to come to Kenora; I encourage ministers to come to Kenora." He indicated earlier through some of his comments that yes, he had been to Dryden, that we were happy to see him in Dryden. I'm not sure Bearskin are going to be too happy with the comments he put on the record regarding their services, but that's beside the point.

What I have to stress here to the PA is that when the Premier was in Kenora he did not meet, and he refused to meet, with any groups that asked for meetings with him during that visit. There were a good number of requests made. There were a number of presentations made to him when he was on the dock participating in the fishing event and bringing in his catch. Yet, he refused an audience with any of the many groups that met with him. I just wanted to get that on the record.

Back to some other comments made here earlier regarding travel in northwestern Ontario: I certainly look forward to reviewing those comments on Hansard. I hear it every day; it's a typical attitude of this government when it comes to northern Ontario and northwestern Ontario. I go back to Mr Daniels. With all due respect, Mr Daniels, I really appreciate the things you've said in terms of your presentation, but what we don't hear about, what this government doesn't seem to hear about is the number of lives that are affected when a government cuts back. It just doesn't seem to get the message when a number of people are laid off, when services aren't provided. At our local hospital right now we're into some real problems where this government just does not seem to get the message that we need some of these programs in order to allow psychiatric services to patients.

**Mr Young:** On a point of order, Mr Chair: These are important issues but they really aren't related to the estimates of the Premier's office.

**The Chair:** Mr Young —

**Mr Miclash:** I'm commenting on his report to us. He spent 20 minutes of your time giving us a report. I'm asking questions about his report. I'm making comments on his report. Is that out of order, Chair?

**The Chair:** Mr Miclash, you are in order. Mr Young, you are not. Please continue.

**Mr Young:** You made a ruling earlier that the questions had to relate to the estimates of the Premier's office and the member's comments are not.

**The Chair:** Mr Young, we've spent an undue amount of time talking about process today. I'd like the committee to continue to move forward. I have ruled on that, I believe I am in conformance with that ruling and I'd ask you to observe that. Mr Miclash, please continue.

**Mr Miclash:** Again a question to Mr Daniels. In terms of the evidence you gave when you were audited for this award or however it happened, were there ever any questions about what layoffs from the government did for the citizens of that particular province?

**Mr Daniels:** A number of the alternatives I talked about were actually job creation alternatives, moving from government being the sole deliverer to going into partnership. Teranet, as I was telling you earlier, moved from 61 public servants to 1,000 jobs in the private sector, directly created. Teranet is one of the top companies in Canada in terms of high-end technology employers. It has less than a one per cent staff turnover, and last month those staff, all staff at all levels, got a two-week salary bonus for productivity and performance of the company. I think we should always look at that.

Also, the government transferred its laboratories, its research and its education to the University of Guelph without a job loss. The benefits and salaries of the staff improved. The Teranet staff, as you can see, will make better money than a public servant because it's a competitive market. They're a high-tech company. The Ontario government's technology salaries are not yet competitive. We're losing at a rate of 17%. Teranet doesn't lose staff. The average age of the public service is 48; Teranet's is 28. Sometimes when you have to compete in a high-tech market, it is better to move it out of government. We moved our high-technology services out of government. We've also —

*Interjections.*

**Mr Daniels:** Yes. If we're going to be in laboratories and research, I think it was right for us to move. Another wonderful experience that's paying off very well is a movement of all our inspection, investigation and technical standards, which was about a year and a half ago. Mr Parker helped me get that legislation through on industry self-management.

We had lost our way as civil servants or as a delivery of service. I had 40 clerks and one inspector looking after real estate. We collected \$6 million in revenue and spent \$2 million on keeping the industry fair. But we created a self-management industry. It has increased the number of inspectors and it has provided a public-private partnership of delivery where the consumers' association is a member of the board, users of the real estate industries are members of the board and the public service is a member of the board. It's a board of directors were all stakeholders are directing the industry and keeping a level playing field.

Again, 300 jobs left the public service. Nobody lost their job. In fact, those people's salaries went up and their benefits were improved. We recently conducted a staff



survey in the 90 percentile of job satisfaction at the Technical Standards and Safety Authority. I think you have to look very carefully at all these stories and put them in balance, because you're seeing people who move out of government into new relationships with higher morale. Teranet staff productivity improved 250%. They didn't have any kind of transfer of genetic skills. They were just better tools, better rewards and better recognition. Government is a fair employer but it's a level employer. It can't give the same kinds of rewards and recognitions that the private sector can.

**1740**

I also want to talk to you about another good-news story and it's in the northwest. I was the assistant deputy minister responsible for the transfer to Thunder Bay of the registrar general: a wonderful story and probably one of the best stories in government in terms of relocation. Over 130 staff work in Thunder Bay; 80% were single mothers off welfare, in real, good jobs; 20% were First Nations; 20% were physically challenged: deaf, blind, quadriplegia, paraplegia. It's an exciting opportunity. They have imaging technology, therefore if you're without limbs you just talk to the machine. We created a model workplace in Ontario. None of those staff has left and their productivity is 60% higher than the group we had in Toronto because of tools and skills, but also recognizing people working together in a workplace based on a model that was called "knowledge workers," where you're paid for what you learn, not for seniority or time. You move from class to class, from job to job in a wonderful place where you're paid for your knowledge. Everybody teaches and everybody learns and at any time of their cycle they're both the teacher and a learner, so everybody is equal.

It's a place where the job classification has only one job title and one pay grade for the entire workforce at the front end and it's called "customer service representative." It's not called "data entry clerk" or "phone operator." We said: "Everybody is the same. Let's empower the whole team to be the same." Organizations should look like that and behave like that. We've got some great places and high productivity both in and out of government. I don't think we take credit for all the things we've done in terms of creating a good workplace, but also, the workplaces that alternative deliveries have created are world-class and we should be really proud of what we've all accomplished. It's a good thing we've all focused on: service to Ontarians.

**The Chair:** Thank you Mr Daniels. Mr Michlash.

**Mr Michlash:** I didn't think my question had asked all that —

**Ms Mushinski:** It was an excellent question.

**Mr Young:** Ask it again.

**Interjection:** You asked about people losing their jobs.

**Mr Michlash:** I want to go back to the fact that you stated that 60% of folks don't think government is doing a good job. That relates very well to Mr Doyle's comment about being what I call "clicked over" 22 times in trying to make a —

**Mr Doyle:** That was 10 years ago.

**Mr Michlash:** I understand that. I still think that was one of the biggest comments of a good number of the folks who just returned my survey, that they were sick and tired of talking to a machine. You have a member of the Conservative Party at the present time who has introduced a private member's resolution. Yes, he still is a member of the Conservative Party. Mr Daniels, I would just like to ask you how you think government can go about changing so that we don't have 60% of the folks out there thinking they don't do a good job. I can understand it with this present government but I'm talking about government in general.

**Mr Daniels:** The point I wanted to make there by showing that survey from the National Quality Institute is to show you that when government is aggregated, and that was all government — federal, provincial and municipal. It didn't differentiate between the kind of service we provided. This slide I've put up is really important, not just to focus on the 40%; that's what people think in general. Even the private sector can only score 5.8% when you ask about them in general. But when you ask about certain public services, and the number one public service in Ontario is the parks, our provincial parks are rated very high. What we've got to look at is, what do the public libraries offer, and can we emulate why they are so popular with Canadians? Public libraries are important because they integrate the community, the government, they offer a multiple level of service. They are a clustering place.

The Ontario Business Connects workstations are in libraries where they should be. That's a good place for government to be accessible: where citizens access it. This gives us a good signal of what we should be doing in the future.

My vision of the public service of the future is that it's not a bunch of ministries and departments but a bunch of programs that circle around the needs of the citizens. We should be really proud of Ontario Business Connects and we should be proud of — I didn't even get to talk about it — Service Ontario, which lets you get a driver's licence in three minutes.

**The Chair:** Mr Cleary.

**Mr Cleary:** Being that Mr Daniels had brought up the provincial parks of Ontario, I agreed with him that at one time they were great parks and everything, and in our part of eastern Ontario, the St Lawrence Parks Commission, I think they're a disgrace. They've been closed. They used to have all kinds of campers coming in from the province of Quebec, from the United States, and they were good for small business and they've been closed. Maybe you could give me some advice on how we might get those parks opened again. This government will not even talk to the municipalities or anyone else about opening these parks. In my particular area they're in South Glengarry, namely Raisin River, Charlottenburg, Lakeview Heights parks. I know you said you're proud, but I'm not proud. They're closed; they're a disaster. Everything has rotted. The buildings have been vandalized and smashed down. I just wanted to mention it. Maybe you've got some good advice

for me on how we might get those parks open? Give government a lesson.

**Ms Mushinski:** Mr Chairman, I believe that perhaps is a question with respect to estimates as they pertain to parks that are open and parks that have been closed.

**The Chair:** Ms Mushinski, I want to be clear: It is not up to me to deal with the quality of your answers. The liberties that are taken here to explore the expenditures of the Premier's office run both ways. I don't arbitrate your answers when you talk either in a partisan form or more broadly about issues. I would ask that these interventions not be obstreperous; that we allow for some flow of dialogue. If you choose not to answer, that's fine, but please don't reference the fact that it's not appropriate for this committee. I've ruled on that. These issues have been raised by people representing the government's side, and I think it's important for future discussions that we're going to have on this that we don't try to have the rules work one way.

**Ms Mushinski:** Mr Chairman, with the greatest of respect, if you had given me the opportunity to finish my answer, I was about to say that I will take that particular question under advisement and get a response. I do not believe that it is a question dealing with the management of this government but more to do with the parks that are closing, and have to do with the Ministry of Natural Resources and the parks policy. I will get a response to that. I do not believe that I was being at all obstreperous in my response to Mr Cleary.

**Mr Young:** Mr Chair, on a point of order.

**The Chair:** Ms Mushinski, I want to explain: I thought you were finished speaking. On several other occasions you've declined to respond on those grounds, and that is your right and your privilege.

**Ms Mushinski:** You've given me the opportunity to respond fully.

**The Chair:** I just want to make sure because it can affect how other people will participate in these discussions. There is nothing about Mr Cleary's discussion with items that have been raised by members of your staff that is outside the purview of this committee. If we stand agreed on that, then that's fine.

**Ms Mushinski:** I did not say that, Mr Chair, with respect.

**The Chair:** I don't mean to make any inference. I appreciate your clarification. I believe that Mr Young has a point of order.

**Mr Young:** I do, Chair. With all due respect, I believe it's beyond your authority to make comment on the quality of the answers in committee. I don't see our Speaker in the House making comment on the quality of the answers in the House.

**The Chair:** Mr Young, I made no comment on the quality of the —

**Mr Young:** It's beyond your authority.

**The Chair:** You are not in a point of order, and we'll ask Mr Cleary to continue.

**Mr Cleary:** Thanks Mr Chair. I've been very careful in this committee to only ask questions that have been

brought up by the parliamentary assistant, in this case Mr Daniels, and how proud he was of the parks of Ontario. I'm just telling him that I differ from that because I'm not proud of the way they've been used and the way they are right now. I just want to ask for his advice on how we might get attention because the municipalities are interested in working out an agreement with this provincial government on the parks. We almost had an agreement at one time but it got scuttled in cabinet somehow. I'm asking this of Mr Daniels.

**Mr Daniels:** When I was talking about parks it was that in terms of the Canadian public and the Ontario public, the parks are rated in the top two or three services in Canada. The Ministry of Natural Resources conducted a survey on its services last year through Goldfarb and Associates and found that their parks were running at an 85% customer satisfaction rate. In other words, people are satisfied with the parks and they use them. In that booklet we passed around there's a good story about the park in Bronte and its accessibility to the disabled.

**Mr Cleary:** I read that.

**Mr Daniels:** You should all read that: how a park can be a city park and be really exciting. Bronte Park is a good story and it's written up in the article.

**Mr Cleary:** That was exactly my point. You said they're proud, and I had said I'm proud of them too, but I'm not proud of the ones that have been closed and vandalized and a government or a government service that will not listen to local people who are interested in possibly working out some kind of agreement to open them. That was my comment. I wouldn't have brought it up, only you had brought it up, so I thought I should have something to say here too.

**The Acting Chair (Mr Micalash):** Thank you very much Mr Cleary. We'll move on.

**Mr Cleary:** Are we done?

**The Acting Chair:** Yes we are.

**Mr Cleary:** We're just getting started here.

**The Acting Chair:** I'm sorry, I took up a lot of time. Mr Bisson.

**Mr Bisson:** I just want to put something on the record vis-à-vis my —

*Interjections.*

**The Acting Chair:** Order. Mr Bisson.

**Mr Pettit:** They have never been used.

**The Acting Chair:** Mr Pettit, Mr Bisson has the floor.

**Mr Pettit:** I was just replying to Mr Cleary.

**Mr Bisson:** I would like to put on the record my view to a question that was asked earlier vis-à-vis the Premier travelling to Kenora and bringing his son with him on a fishing trip. I don't have an objection to the Premier's bringing his son with him. God knows, I may not like the Premier of Ontario and his policies, but we know that the job of the Premier takes him away from his family, as it does all members of this assembly. I think that as members we should recognize among ourselves, and also openly with the public, that our jobs take us away from our families. We should never engage in anything that would somehow infer that bringing your children



somewhere, if it's at your own expense, is in any way a detriment to our ability to do our jobs.

We are privileged people serving here in Ontario. We have an ability as members, because we have chosen to do so by way of the Legislative Assembly, to have what's called "family travel". You're allowed, as an out-of-town member, to have your wife or your children come and visit you in Toronto when you're here during the session. That's something I respect and very much value, because it's hard to keep a marriage together and your children close to you when you're doing this job. I think we should recognize that the Premier — we may not agree with him, but I know it's a tough job and that the Premier loves his family, wants to be with his children, and that's something

we should encourage him in. I just wanted to put that on the record. Nothing otherwise was inferred, I'm sure. I just wanted to make sure that nobody misunderstood what my views and the views of my party are. We believe that the family is important and that's something we need to try to maintain.

I want to go back to questions we asked earlier vis-à-vis — I've got four minutes so I don't think I'm going to have time to get into it. I would move adjournment of the committee until the next time we sit.

**The Acting Chair:** Mr Bisson has moved adjournment of the committee. The committee is adjourned.

*The committee adjourned at 1753.*

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**Standing committee on  
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Office of the Premier

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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATESCOMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Tuesday 3 November 1998

Mardi 3 novembre 1998

*The committee met at 1542 in committee room 2.*

## OFFICE OF THE PREMIER

**The Acting Chair (Mr John C. Cleary):** Members of the committee, we'll call the committee to order. First of all, we're continuing on from where we left off last week and we have two hours and two minutes left in committee. We will start with the New Democrats for 17 minutes.

**Mr Tony Martin (Sault Ste Marie):** I believe my colleague Mr Bisson from Cochrane South asked for some information of a financial nature from the Premier's office when he was here last week: statistics on the actual travel cost of the Premier and his office and the use of government planes etc. Do we have anything back on that? Have we been given anything to help us with that question?

**The Acting Chair:** Is that directed to the parliamentary assistant?

**Mr Martin:** I'm not sure who my colleague —

**Ms Marilyn Mushinski (Scarborough-Ellesmere):** There were a considerable number of questions that were asked by both members of the opposition and the third party. With your indulgence, Mr Chairman, while I haven't got them sorted out by party, I will certainly attempt to answer as many of those questions that were raised last week, if you so wish.

**The Acting Chair:** Is that agreeable?

**Mr Martin:** Yes. I guess we want answers to those questions, and the sooner we can get those answers, the sooner we can be satisfied and take the appropriate action.

**Ms Mushinski:** Perhaps what would be best then, Mr Chairman, with your indulgence, is for me to proceed with all the questions that were asked of me that I had made some commitment to responding to this week, if that's OK.

**The Acting Chair:** Is that agreeable? Go ahead.

**Ms Mushinski:** The first question that was asked was, what is included in the services budget of the Premier's office and why did it increase from 1997 to 1998? The services budget includes such things as equipment rentals, repairs to equipment, hospitality charges and training development of staff. The services budget in the Office of the Premier went from \$30,000 in 1997-98 to \$200,300 in 1998-99, for a total increase of \$170,300. This increase resulted from a budget increase of \$197,300 for accommodations funding that was offset by a budget

decrease of \$27,000 for participation in the 1% efficiency measure exercise. That's by all ministries, by the way.

In an effort to ensure that accommodation spending is accounted for in an honest and open manner, the cost of maintaining office accommodation has been transferred to individual ministries from the Ontario Realty Corp and it's now government policy that ministries must pay for their own accommodation. This accountability measure was introduced by our government as part of an overall effort to ensure that the accounting systems used by the province more accurately and honestly displayed government spending. Under previous governments, the cost of accommodation was paid by Management Board and was to a certain extent hidden from view of the public. This open accounting system implemented for the Office of the Premier in April 1998 brings the public sector accounting more in line with the private sector. This resulted in the increase to the Premier's office budget of \$197,300, and in our view it's brought about a more honest improvement to public sector accounting.

Finally, the Premier's office is participating in the government-wide efficiency measure exercises. This across-the-board initiative is part of the government's commitment to achieve efficiencies in the delivery of ministry programs by reducing operating budgets. The Premier's office's participation in this efficiency measures exercise has resulted in a \$27,000 reduction to its operating budget for this year. The net result of these budget-wide accountability measures is, as I said, a \$132,500 variance in the Premier's office 1998-99 budget estimates.

It's important to note that if the same accounting system was used in 1998-99 as was used by previous governments, the Premier's office estimates would have actually declined by 2.3%.

In conclusion, I want to reiterate that the Premier's office works to support the Premier in being accountable to the people of Ontario. It assists in nurturing a dialogue with taxpayers and in responding to the priorities of the people. Above all, the Premier's office meets its obligations to the Premier and the taxpaying public prudently, efficiently and openly through a budget and set of estimates that have been virtually flatlined for three years.

Question number 2: How many staff are there in the Office of the Premier, and what are their classifications and salary ranges? This type of personal salary information — I believe I mentioned this last week — is available through the freedom of information process. What I can

say, however, is that there's only one person over the \$100,000 salary level working in the Office of the Premier. By contrast, in 1992-93, under the former government, there were five people in the Office of the Premier being paid in excess of \$100,000.

1550

The Premier's office supports the Premier in his role as the head of the executive council and as the leader of the government of Ontario. The office co-ordinates the government's policy development and legislative agenda as well as the government's communications activities. It also supports and advises the Premier on issues facing cabinet and the government.

The Office of the Premier is responsible for the Executive Council Act, the Lieutenant Governor Act, the Policy and Priorities Board of Cabinet Act and the Representation Act, and assists the Premier in carrying out his daily business.

The office is comprised of the following departments: tour and issues management, outreach, policy, communications and strategic planning. The Premier's office works closely with the cabinet office to ensure that there is consistent political and policy advice that flows from the centre of government to ministers and ministries.

Question number 3: How many fee-for-service contracts did the Office of the Premier have last year? The answer to that is that the Office of the Premier did not incur consulting costs.

Question number 4: Why has the Office of the Premier's budget gone from \$2.65 million in 1995-96 to \$2.96 million in the 1998-99 estimates? As I said in my opening remarks on October 21, when your committee looks at the past years, I think you'll find that the Premier's office budget has remained virtually flat since 1995. In fact, while it was not part of your committee's mandate to review last year's budget performance, I think your committee should be aware and should know that the Premier's office actually underspent its estimated 1997-98 budget by \$157,000. Last year's financial prudence is a good example of the three-year trend of the Premier's office budgets. It is a trend we would like to see continue. When you consider that fact, the change between those 1995-96 estimates of \$2.65 million and this year's estimates of \$2.96 million is easily explained. Simply put, the Premier's office is affected by government-wide Management Board policies as well as other changes that affect the estimates of partner ministries.

The following specific government-wide measures have influenced this year's Premier's office estimates as well as those leading up to the 1998-99 fiscal year. First, social contract funding was restored along with a portion of the Ontario government pension fund contribution. As well, we have already discussed the statutory salaries of the Premier, ministers and parliamentary assistants that were amended in the 1997-98 estimates. When our government eliminated the MPPs' gold-plated pension plan, something we promised to do, and the tax-free allowances, something else that we promised to do, as part of our efforts to make the compensation of elected representatives more open and

transparent to the people we serve, this amounted to just under \$18,000.

The Premier's office 1998-99 estimates include the transfer of the unfunded pension liability payment to Management Board Secretariat. This was in response to the centralization of the unfunded pension liability payment in Management Board and the according elimination of the chargeback to ministries that takes effect in the coming fiscal year. This transfer of the unfunded pension liability resulted in a \$37,800 reduction in the Premier's office budget.

As well, the Premier's office is participating in the efficiency measures exercise. This across-the-board initiative is part of the government's commitment to achieve efficiencies in the delivery of ministry programs by introducing operating budgets. The Premier's office participation in this efficiency measures exercise has, to date, resulted in a \$27,000 reduction to its operating budget.

Finally, as I've already stated, accommodations funding has been transferred to all ministries from the Ontario Realty Corp to cover existing accommodation costs associated with properties based upon the value of the space they occupy. The transfer of accommodations funding into the Office of the Premier resulted in a \$197,300 increase in the 1998-99 budget.

In summary, while it may differ in many ways from a traditional government ministry, in financial matters the Premier's office is, as we believe it should be, treated like all other ministries. As well, thanks to more honest accounting methods, the estimates before you show that the Premier's office budgets have been virtually flatlined since this government took office.

Question number 5, asked by opposition members, also related to questions particularly pertaining to the Ontario Jobs and Investment Board. As I did mention last week, OJIB is a part of the Cabinet Office estimates. They will be reviewed later this year.

Number 6, number 7 and number 8 all deal specifically with Mr Martin's question, what are the travel costs by aircraft and by car for the Premier's travel within Ontario, what are the transportation costs associated with the Premier's travel outside of Ontario, and what was the cost, specifically, of the Premier's trip to Kenora?

On September 28, 1998, the member for Sudbury asked several order paper questions related to the Premier's travel. Cabinet Office staff are currently working with staff from both the Ministry of Natural Resources and the Ministry of Economic Development, Trade and Tourism to provide specific responses.

Question number 9: What is the budget, staff, travel costs and expenses of the parliamentary assistant's office? The budget for the parliamentary assistant's office actually decreased from \$53,100 in 1997-98 to \$51,800 in 1998-99. The budget of the parliamentary assistant's office represents 1.7% of the total 1998-99 estimates for the Office of the Premier. The budget consists of funding for one special assistant to the parliamentary assistant. Other staff in the parliamentary assistant's office are



funded through the Legislative Assembly as part of the regular MPP's allowance. As of September 30, 1998, the only expenditures incurred were the salaries and benefits associated with the special assistant position.

Question number 10: What were the expenses for the Office of the Premier's staff for fiscal 1997-98? An information request such as this requires a significant allocation of time and resources to process. Last year, the third party obtained information on this topic through a freedom of information request. The freedom of information process is, we believe, the most appropriate way to access this information.

1600

**The Acting Chair:** We've got to get some clarification here from the governing party as to whether they want us to continue on in their time or not. The New Democrats' time has been used up, and the governing party now has 20 minutes. Do you want the parliamentary assistant to carry on with that?

**Mr Bart Maves (Niagara Falls):** Sure, I think so, if she's got more details.

**Mr Trevor Pettit (Hamilton Mountain):** Mr Maves has some questions, and if we still have time, we'd like to bring Mr Daniels forward, I believe.

**Mr Maves:** Chair, are we just going to go 20-20-20?

**The Acting Chair:** That's right. We did the 17 minutes with them. Now it's 20-20 until 5:47. I think our two hours and two minutes will be up then. We'll have a few votes to put before the committee and move on.

**Mr Maves:** I think we'd prefer that she continue answering questions that were put, since she's done research on it. Then we'll have some questions, if the time allows.

**The Acting Chair:** OK. As long as everybody knows and understands. Carry on. Sorry about the interruption.

**Ms Mushinski:** Question number 11 — this one was actually asked by you, Mr Chairman — why were parks closed by the St Lawrence Parks Commission? This was the one that I actually did attempt to respond to last week. MEDTT can provide detailed information on the decisions that are made by the St Lawrence Parks Commission. As I mentioned last week, I think it's more appropriate if that question was directed to MEDTT since they're the ministry responsible for the St Lawrence Parks Commission.

Number 12: How many civil servants have been laid off since 1995? Management Board can provide detailed information on the number of civil servants laid off since 1995. Again, I believe the question that was raised last week should more appropriately be directed to Management Board.

Another question that was asked, I believe by Mr Bisson: What is the role of the Premier on policy and priorities board? The policy and priorities board is responsible for setting the government's strategic policy agenda and establishing the government's fiscal framework. P&P is the primary cabinet committee dealing with policy decisions. It reviews the majority of cabinet submissions as well as the reports of P&P subcommittees, such as the Who Does What implementation, policy coordination and

jobs in the economy. It also makes recommendations, of course, to cabinet for final approval.

Policy and priorities board meets on most Mondays and is currently comprised of the Premier and six ministers: the Minister of Finance, the Chair of Management Board of Cabinet, the Minister of Education and Training, the Minister of the Environment, the Minister of Energy, Science and Technology and the Minister of Health. The Premier is the Chair of P&P.

Question number 14: What is the relationship between the Office of the Premier and the Cabinet Office? Cabinet Office, as I'm sure most of you are aware, is a ministry that is headed by the secretary of Cabinet. Cabinet Office supports the secretary of Cabinet in overseeing the operation of the public service. On an operational level, Cabinet Office provides support to the Premier in a number of ways. Cabinet Office assists the Premier with his correspondence, provides bureaucratic advice on policy matters, and ensures that issues are monitored and brought to the attention of the Premier's staff, the deputy ministers and senior public service executives in a timely manner.

There is also a close working relationship between the Office of the Premier and the cabinet office to ensure that the Premier receives the complete range of information and advice and that the two offices provide consistent direction to ministries.

In fulfilling its mandate, the cabinet office manages the decision-making structures of government. This ensures that these structures are effective, efficient and well organized. The cabinet office also provides administrative and secretariat support for cabinet, the policy and priorities board, its subcommittees and the legislation and regulations committee, and coordinates linkages between cabinet and the Lieutenant Governor.

Those are all of the responses to the questions that were raised in the previous two meetings.

**The Acting Chair:** Thank you. I guess you have another 12 minutes, government party.

**Mr Pettit:** The member for Niagara Falls will be questioning.

**Mr Maves:** Thank you for those answers. A couple of the answers that you mentioned caught my ear, one of which was that in the current Premier's office there's only one person who makes over \$100,000.

**Ms Mushinski:** That's correct. That was my response, yes.

**Mr Maves:** In the previous administration, how many people made over \$100,000?

**Ms Mushinski:** Five.

**Mr Maves:** Five people made over \$100,000. Those would be considered political staff making over \$100,000?

**Ms Mushinski:** That's correct, yes.

**Mr Maves:** I know an MPP's base salary is \$77,000, so that means in the previous administration five people were making substantially more money than MPPs were making, probably the same as cabinet ministers. I'm not sure if you —

**Ms Mushinski:** I don't actually know what cabinet ministers were receiving, but I would imagine certainly it would be approximately the same as cabinet ministers, yes.

**Mr Maves:** That's pretty high-priced staff. I'm glad to see that the Premier has gotten a handle on that.

Another one of the answers you gave, I think it was the answer to the third question, was with regard to consulting costs. I thought you had said that the Premier's office had incurred no consulting costs.

**Ms Mushinski:** That's correct.

**Mr Maves:** None at all?

**Ms Mushinski:** None at all.

**Mr Maves:** We seem to hear that the Premier's office has all kinds of consultants in it. That's not true at all, then?

**Ms Mushinski:** Not at all. There were no costs incurred at all for consulting services in the 1997-98 year.

**Mr Maves:** Another thing you talked about was the efficiency measures exercise. It was very impressive to hear that last year, I think you said, the operating budget declined by \$27,000 because of the participation in this exercise. I wonder if you or perhaps Mr Guscott could elaborate a little bit about that program, the efficiency measures exercise.

**Ms Mushinski:** Certainly. I can pass that to Mr Guscott.

**Mr David Guscott:** I'd be glad to talk about it. There's a program underway involving all ministries which requires them to find ongoing efficiencies in the operations of government. The Office of the Premier participates in this exercise, as does every other ministry, and that resulted, as Mr Maves mentioned, in a reduction of \$27,000.

**The Acting Chair:** Could you introduce yourself?

**Mr Guscott:** David Guscott, deputy minister of communications and associate secretary of cabinet.

**The Acting Chair:** Thank you. Carry on.

1610

**Mr Guscott:** As I was saying, the Office of the Premier is participating in the efficiency measures exercise, and the 1% savings resulted in a \$27,000 savings in the 1998-99 estimates for the Office of the Premier. I should add that these are ongoing savings and will continue at 1% each year through 1999-2000 and 2000-01. This initiative is the result of a government commitment with respect to delivering its programs through a reduction in the ongoing operating costs of each ministry's budget. I should say that it's 1% for ministries whose operating budget is less than \$50 million a year and it's 2% per year for those whose operating budgets exceed \$50 million. Ministries are not allowed to offset the reduction through taking capital funding from other programs and applying it to the savings or through any new tax revenue proposals.

I might add that the Ontario public service pension contributions were exempt from the calculations of the efficiency measures.

Once again, it was a \$27,000 saving in the current fiscal year being reviewed by these estimates.

**Mr Maves:** This might be throwing you a bit of a curve, asking for a little more detail, but are there any examples you can give of some of the efficiencies we've found through these programs?

**Mr Guscott:** I can give you some in various ministries. I've worked in about six different ministries and in three since this program has been underway. There were substantial reductions in the Ministry of Transportation's programs with respect to some of the consulting contracts that they participated in. In the Ministry of Labour there were examples related to better use of staff vehicles and better targeting of initiatives between the staff of the Workplace Safety and Insurance Board and the inspectors of the Ministry of Labour. Those would be operating examples.

In the Premier's office, as you can see from these estimates, almost all of the budget is in the salary area. It's a very low cost area with respect to other direct operating costs and it just has been through a reduction in those direct operating costs. There is an ongoing effort to achieve more efficiencies in how messages are moved, courier services, long-distance phone calls etc.

**Mr Maves:** Excellent. I hope that exercise continues in important savings.

I also understand during your comments you said that the Premier actually underspent his budget from estimates in 1997-98. I heard that appropriately?

**Ms Mushinski:** Yes, that's correct. Let me refer specifically again to the breakdown. It was the new accounting and the transfer for the housing costs, if that's the correct term I've used there. Actually, if the same accounting system had been used in 1998-99 as was used by previous governments, the Premier's office estimates would have actually declined by 2.3%, which I believe translates into about \$132,500 for the 1998-99 budget estimates.

**Mr Guscott:** That's with all the accounting measures.

**Ms Mushinski:** That's with all the accounting measures. You were asking specifically for — OK, I'm sorry. If you're asking specifically for the services budget, it went from \$30,000 in 1997 to \$200,300 in 1998-99, for a total increase of \$170,300. That resulted in a budget increase of \$197,300 for the accommodation funding, which I called housing earlier. That's from my old municipal days. Sorry about that. That was offset by a budget decrease of \$27,000, which was the participation in the 1% efficiency measures exercise. Essentially, that resulted in a total of an underspent amount of \$157,000.

**Mr Maves:** Excellent.

**Ms Mushinski:** Sorry about that. I misled you when I said \$197,000.

**Mr Maves:** I don't think you misled me. I would never think you'd do that.

**Ms Mushinski:** I wouldn't want to mislead you.

**Mr Maves:** You did mention that it's a small part of the total, but your own parliamentary assistant's budget, which was I think you said 1.7% of the total, actually fell from \$53,900 in the previous year down to \$51,800, which is also an impressive saving. You're to be



congratulated on that. Is that just from a little bit of belt-tightening here and there?

**Ms Mushinski:** A little bit of belt-tightening, not quite as exorbitant in salary, that sort of thing.

**Mr Maves:** Super. Thank you very much. A few more minutes, Chair?

**The Acting Chair:** You have another four minutes.

**Mr Maves:** This is just a question about some of the staff who would be in the Premier's office. You mentioned in some of your opening remarks a number of about 408,000 net new jobs that had been created in Ontario since September 1995. This is just a phenomenal record when you compare it with the 10,000 net jobs lost over a five-year period in the previous government.

**Ms Mushinski:** I think so. It is phenomenal.

**Mr Maves:** I just wondered whether that kind of statistic should be compiled in the Premier's office, or is that compiled somewhere else?

**Ms Mushinski:** Are you referring to the OJIB? Are you wanting information with respect to Ontario jobs?

**Mr Maves:** That statistic about 400,000 net new jobs would probably be compiled not necessarily by the Premier's staff but in the Ministry of Economic Development, Trade and Tourism or —

**Mr Guscott:** The information with respect to net new jobs in Ontario is an important part of the intelligence-gathering part of the Ministry of Economic Development, Trade and Tourism. They keep close tabs on what's happening in terms of identifying barriers to growth in that sector so those barriers can be removed.

**Mr Patten:** That's an oxymoron.

**Mr Maves:** Similarly, another statistic you gave was that over 300,000 people left welfare since the government took office, which is another staggering success story, I would say. That again would be something that would be compiled by Comsoc and not necessarily the Premier's staff?

**Ms Mushinski:** Yes, it would. That would be compiled by the Ministry of Community and Social Services.

It's important for you to appreciate that it is the Premier's role and responsibility to communicate, to consult and to coordinate. When I referred to those particular statistics, while they are indeed compiled specifically by the ministries responsible, it's important for us to communicate that information from the Premier's office, just as it is to consult with the people of Ontario to develop appropriate policies in response to their concerns.

**Mr Maves:** Again, there were similar statistics that were mentioned in your opening remarks. For instance, the government promised when it took office to maintain a health care spending envelope of \$17.4 billion, and now it's up to actually \$18.5 billion or maybe even higher, I read the other day in the press. That again is something that's compiled and brought forward probably by the Ministry of Finance and the Ministry of Health.

**Ms Mushinski:** Absolutely. Again, it is important for me to convey the context in which the estimates are presented to you today on behalf of the Premier.

**The Acting Chair:** We'll move on to the official opposition.

1620

**Mr Richard Patten (Ottawa Centre):** I'm substituting for other members, so it's interesting to enter this surrealistic world of estimates. The first question I'd like to ask is, how come you didn't use up any of my time when you were answering all those questions, Marilyn?

**Ms Mushinski:** I'd be happy to repeat them if you'd like, Mr Patten.

**Mr Patten:** I have, as you'll understand, some difficulty in believing — by the way, who is the staff person who makes over \$100,000 in the Premier's office?

**Ms Mushinski:** That would be the chief of staff.

**Mr Patten:** There's nobody else?

**Ms Mushinski:** Nobody else.

**Mr Patten:** And there are no contracts that the Premier's office has with anyone else in terms of advice, or the Premier's office has not asked any other office of cabinet to pick up any costs related to any advice to the Premier's office?

**Ms Mushinski:** That's correct.

**Mr Patten:** Unbelievable. What's the relationship of the Ontario Jobs and Investment Board, which I gather is related to the Cabinet Office?

**Mr Guscott:** That's correct.

**Ms Mushinski:** That's part of the Cabinet Office, yes.

**Mr Patten:** How is that set up? Was this a request from the cabinet secretariat?

**Mr Guscott:** The Ontario Jobs and Investment Board is set up to help develop a strategy for Ontario's industry well into the next century. Because it operates at a very high level and coordinates the activities of the nine to 11 ministries that are involved in the economic development field, it makes sense to locate it in a cabinet office where that kind of coordination could take place.

**Mr Patten:** That's kind of strange, isn't it? This isn't an arm's-length board. This board actually coordinates all the economic activities of all the ministries?

**Mr Guscott:** The estimates for Cabinet Office are scheduled, but the Ontario Jobs and Investment Board is out now operating public consultations with respect to getting advice from the public and private sector interest groups and others on the future direction for the economic vision for Ontario. The board aspect of the board actually is a board composed of the Premier, ministers of the government and private sector representation to provide advice on the information received in the consultations that are now underway.

**Mr Patten:** By the way, who heads up this board?

**Mr Guscott:** David Lindsay is the president of the Ontario Jobs and Investment Board.

**Mr Patten:** What was his previous position?

**Mr Guscott:** His previous position was principal adviser to the Premier.

**Mr Patten:** Where is his office?

**Mr Guscott:** His office is in the Whitney Block.

**Mr Patten:** How far from the Premier's office?

**Mr Guscott:** Several floors from the Premier's office.

**Ms Mushinski:** And several floors from the cabinet secretariat.

**Mr Patten:** Has he changed his office?

**Mr Guscott:** I don't believe he's changed his office as he's been president of the Ontario Jobs and Investment Board.

**Mr Patten:** It's kind of a cosy relationship. When that board supposedly sent out that material explaining the great job that the government was doing, even with the picture of the Premier in it which cost a couple of million dollars, did that money come from its own budget or from another source?

**Mr Guscott:** Mr Patten, you're starting to get into questions that I don't have direct knowledge of in my capacity, but the Cabinet Office estimates are scheduled for the committee.

**Mr Patten:** OK, we'll find it there.

**Ms Mushinski:** I'm sure you really enjoy this experience. If I were you, I don't think I would. You have to protect the Premier, of course, but is this kind of scenario that the Premier pays no consulting fees for any services whatsoever unfair or implausible? The job of the Premier's office is to coordinate pretty well everything that happens out of the government collectively, and presumably individually if the Premier or his staff or a committee of cabinet are not happy.

*Interjection.*

**Mr Patten:** I'm talking about the Office of the Premier, which includes the Premier. The Premier receives no other paid advice, is that what you're telling me?

**Ms Mushinski:** I think I've answered the question in terms of consulting fees. If you continue to have concerns about OJIB, I can tell you that the previous NDP government, for example, spent \$7.6 million on Premier's counsels in 1991 alone. There were all kinds of examples of consulting fees paid for by previous governments.

**Mr Patten:** Exactly. That's what I find it incredible that this Premier doesn't have any.

**Ms Mushinski:** Under the previous government, the Premier's office staff totalled 42. I believe this was mentioned last week. It should be stated that only 25 of those staff were officially paid for and recorded by the Office of the Premier. Other ministries paid for the other 17 staff members' salaries. This practice ended in fiscal year 1996-97 when the estimates for 1995-96 were restated to include the cost of these staff. That amounted to \$761,500. In fact, the 1995-96 estimates were \$2.65 million for the Office of the Premier, not \$1.89 million as the third party and their colleagues have stated in the past.

**Mr Patten:** We're talking about a shell game here. We're talking about whether it's paid out of this envelope or that envelope.

**Ms Mushinski:** Are you speaking about the Ontario Jobs and Investment Board?

**Mr Patten:** I'm talking about that and other initiatives. I'm talking in particular of the advertising campaign, which is extremely self-serving. Every time we ask the Premier, he mentions, "Here is the amount of money that was spent by other governments." I would like to ask

legislative research if they might not do a content analysis of the previous two governments in terms of where that money was spent.

Frankly, I can remember being in cabinet and receiving a warning from Premier Peterson to all the cabinet ministers that said: "I don't want to see any of your mugs on any advertising. If it's for information for a ministry, that's what it is." I think that was abided by fairly well.

To just throw out the figures that were spent in a particular category doesn't tell you the whole story. I find it somewhat embarrassing as a member of the Legislature to see the boldness of putting out information that says nothing about anything in terms of content other than the political position of the government, to release and to try to justify their approach to education or to health care or whatever. I find that abhorrent and I'm sure some of the members of your party do too. Using the resources of the taxpayers seems to me to fly in the face of what your Premier says he stands for.

**1630**

I would like to find out the expenditures, particularly of the advertising of the jobs investment group from Mr Lindsay, former secretary to the Premier. I am not convinced that the relationship is as arm's length as you might suggest.

I would like to go on. I'm not the labour critic at the moment but I was up until about a month ago, and I had a chance to talk to a lot of people in the public service. I was speaking to an ex-deputy minister, who shall remain nameless, who left not too long ago. The ex-deputy said that morale was extremely low, that there was an incredible shortage of middle managers and that the deputies and ADMs remaining were burning out because of the pressure they received.

I ask this because it relates directly to the Premier and Premier's office in terms of policies related to the public service, and they're always glad to show they've chopped the public service. It has gone to such a point that I'm sure most of the members here, in terms of their experience in their ridings — I get complaints, and I feel like I'm an Ombudsman for the overall sector that I'm part of, or the Legislature; I'm not part of government, of course. People call and say, "I cannot get through." "We cannot get through." As you know, if an MPP calls, you're probably in a position to receive a phone call back and then play the role of the middle person in trying to find the answer to the concern that has been presented to you by the constituent who raised it in the first place.

What is your view related to the health of the Ontario public service? Do you feel it's a very happy workforce; that the people are feeling good about what they do; that there is a general sense of contentment and a general sense of pride about the profession in which they're working?

**Ms Mushinski:** I think that, perhaps, is a question that should be responded to by Mr Guscott.

**Mr Guscott:** I'm pleased to take that question. This is what I live. The sense of pride in the public service now is approaching unprecedented levels, I can tell you. That has to do with the fact that we went through a period where



the staff did feel quite put upon and quite unclear in terms of the political and the non-political aspect of public service. That balance has been restored, and we are now involved in initiatives, some of which this committee heard a little bit about last week and I hope will hear more about today from Mr Daniels. We have initiatives underway now that are causing us to win awards in terms of public service, and that's really what it's about.

When I say "public service," I don't mean that generally; I mean service to members of the public. We're actually now getting visits from governments from around the world to see how we're doing it. I hope you'll have a chance to hear some of that in more detail from Mr Daniels in a few minutes.

I would say that to a large extent the sense of pride in public service has been restored, that people do now see a challenge that's a stretch challenge but one they're prepared to take on and take on in a big way.

**Mr Patten:** I congratulate you, because you're one of the few I've met. If you know me, I tend not to be super-partisan. If I say something that isn't true, then call me on it, truly. I try to deal with the facts the way I see them. I don't know whether you deal directly with the public any more, but I must tell you that the public ain't happy. They are certainly not happy. It's an all-time low in terms of level of service. So, if there are a lot of people who are coming to visit Ontario public service, ask them to drop by my office, because I'll give them a few other areas to check out as well.

**Mr Guscott:** Perhaps as I'm starting to answer this, I'd ask Mr Daniels to assist with this, because we have some facts and figures that are hot off the press related to what the public feels about public service in Canada and in Ontario in particular.

I should add that there are in fact initiatives underway of a general nature dealing exactly with what you're talking about. There isn't good enough service with respect to answering telephones in the Ontario government. Everyone from the secretary of cabinet on down feels that way. There are precise and detailed programs underway right now to change that. While the proof is in the pudding, when your constituents start to see and feel that difference, I can tell you that the change has begun, and it's a change in recognition of the fact that none of us feels that service interface has been as good as it could be.

There are several other channels of public service that are opening up. The committee heard a little bit about Ontario Business Connects, not anything yet about Service Ontario, but those relate to it as well.

Perhaps Mr Daniels could talk a little bit about this very recent survey. In fact, I'm not sure it has been completely released yet, but it's very recent information.

**Mr Art Daniels:** First of all, I'd like to talk about the question —

**The Acting Chair:** Mr Daniels, could you please —

**Mr Daniels:** Oh, I should say who I am. My name is Art Daniels. I'm the assistant deputy minister of the Ontario Public Service Restructuring Secretariat. My job is to talk to staff across the OPS about restructuring.

**Mr Patten:** Restructuring? This isn't the health restructuring?

**Mr Daniels:** No. Public service.

**Mr Patten:** Oh, public service restructuring.

**Mr Daniels:** I've had an opportunity since 1997 — I'm seconded from the Ministry of Consumer and Commercial Relations — to speak to over 30,000 staff at 300 meetings about public sector reform, both in Ontario and worldwide and where we fit in and what the directions are. At those meetings, people can ask questions and talk about their frustrations, but they really are enthused about the direction we're going.

An indicator — and I think this is really important, Mr Patten, because I look to rewards and recognition as a way of tapping into people's pride. The Ministry of the Attorney General this year had a pride and recognition program where 2,200 employees were nominated for recognition for public service, not by their managers, not by their bosses, not by their deputy ministers, but by each other, for initiatives they had undertaken that should be recognized. I think that tells you about a healthy organization, where people work together and have pride in what they do.

Ontario started an Amethyst Award program, which celebrates excellence, again, from your peers.

**Mr Patten:** How long has that been going?

**Mr Daniels:** This will be the sixth year.

**Mr Patten:** There used to be one in government services, which goes back 10 years.

**Mr Daniels:** I started one in CCR in 1985, so there are lots of them. But the one that was for the whole public service — we decided we should recognize those people who really stand out in the hall of the Ontario public service — the largest number of nominations and recipients will be honoured this year. There will be over 30 recipients — Ontario public servants who stepped up during the ice storm in the emergency area and in the Ministry of Agriculture. It's a great year in terms of that. I was reading over the nominations. I'm not on the selection committee; I'm the executive lead.

I'm also the vice-president of the Quarter Century Club. We want to honour people who have worked for a long time in the public service in terms of their volunteer work. Again, we're putting an honours program out, because people do even more than at the job.

I have not had the same kind of feedback that you're getting. I'm seeing people who are looking forward with pride, are prepared to salute each and to talk about their successes. I did a survey this year as part of the restructuring to ask people to send me some of the best practices that they felt very proud of, and it's a huge text.

**Mr Patten:** What's the rate of turnover, Mr Daniels?

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**Mr Daniels:** I'm not sure what the rate of public service turnover is, but it's pretty low; in some areas, negligible. At CCR, where I worked for a number of years, we surveyed in terms of performance, and we always got a pretty high rating of around 87% job satisfaction. That's in a high-tech organization that's

changing every minute. I'll show you some material on that.

**Mr Patten:** When was this?

**The Acting Chair:** We'll have to turn this over to the New Democrats now. Time is up.

**Mr Martin:** If I might pick up from Mr Patten before I get into my line of questioning, I don't think anybody for a second is questioning the dedication and the commitment of the Ontario public service. They've shown time and time again how committed and willing they are to do the job, to go beyond the call. What concerns me and, I'm sure, Mr Patten is that there are fewer and fewer of them to actually do that and to carry the can in front of the tremendous challenge that confronts us today in Ontario.

This brings me to the question that I want to bring to the parliamentary assistant particularly. Flowing from your answers to the questions — and I appreciate your putting on the record today some answers to the questions my colleague brought before the committee over the last few days — it's obvious that this government is consistently wanting to and being successful in shrinking government and downsizing the role government plays in the lives of all of us who call Ontario home. More and more, you're turning over what government used to do to the private sector. While there may not be specific consultants or contracts we can point to or tie to the Premier's office, certainly the Premier gives leadership, according to your definition of how everything flows and the role that he plays on P&P it is the Premier's office that gives leadership and is ultimately responsible. The turning over of more and more of what the government does to the private sector is in fact what's happening.

When we look at figures that are now coming out about what's happening in the private sector, the fact that corporations out there are making ever-increasing profits and the salaries the CEOs of these corporations are getting in some cases are becoming, in some people's view, almost obscene, at a time when government believes things should be delivered in a more cost-effective way by the private sector, that you would not be unhappy with that surprises me.

I look at some of what we've had come before us over the last two or three weeks, for example, the exorbitant amount of money you've paid the person you brought in to restructure Ontario Hydro. I remember when we were government and we paid some \$260,000. That was an amazing amount of money to be paying a civil servant.

**Mr Bud Wildman (Algoma):** It was \$260,000, and the Tories thought that was outlandish.

**Mr Martin:** It turns out that you've brought in a hired gun from the States and you've paid him over \$1 million. Not only that, but you've thrown in, to boot, a pension program that will see this guy continue to take money out of the public purse in Ontario for years after his work is done. Plus, I'm lead to believe that there were a number of other people hired at the same time to help him with that work. Am I not correct, Mr Maves?

**Mr Maves:** Has nothing to do with estimates in the Premier's office.

**Mr Wildman:** I suppose it doesn't, considering the Premier doesn't believe he's the leader of the government.

**Mr Martin:** I would say it certainly does, given the role that the parliamentary assistant suggested a minute ago the Premier plays in giving leadership to all of the things that happen in the various ministries and the streamlining that has been done so that control is in fact securely and firmly in the Premier's office.

That the Premier would have hired his own good friend and political supporter to oversee Ontario Hydro, in the person of Mr Farlinger, and then Mr Farlinger — I would expect with the blessing of the Premier, in that I'm sure they still get together from time to time and talk over things — went out and hired this hired gun from the States, this American who this government thinks — it seems to me anyway, because I've got some other examples to share with you before I finish. Not only does the private sector do it better, but American private sector people do it better. We have these people coming in to restructure Ontario Hydro who are getting paid extraordinarily high wages.

Then we have the example today that was raised in the House.

**Mr Wildman:** Wasteful wages.

**Mr Martin:** Wasteful wages, I would say. Some people in the province I know and interact with who make a wage of between \$20,000 and \$40,000 a year and are thankful for that see this as quite obscene.

**The Acting Chair:** Mr Martin, do you have a question for the parliamentary assistant?

**Mr Martin:** It's coming.

**Mr Wildman:** He has to put it in context.

**Mr Martin:** That's right. It takes a while to put this in context. Today we heard in the House of the very disturbing contract the government seems to have cut with this Andersen group, which is now doing a whole lot of things.

**Mr Wildman:** They're doing well.

**Mr Martin:** They're doing extremely well going after the poorest in the province to see if they can get any more out of them. You'll remember, Mr Chair, that the first thing this government did when it got elected in 1995 was cut 21.6% out of the income of those in our communities who were at the bottom of the pile.

**The Acting Chair:** We're still looking for the question.

**Mr Martin:** It's coming. Just have a little patience, and it will be there.

**Mr Maves:** You're starting to challenge the Chair.

**Mr Martin:** I'm not challenging the Chair. I'm asking him to have some patience, and I'm sure he will. The first thing this government did, and I was astounded, when it got its hands on the levers of power in this province was to cut 21.6% from the income of the lowest-paid people in our communities. Now we find out that they've hired this American firm, Andersen, to come in and see if there's any more they can get out of these people, see if they can suck any more out of these folks.



We have these very high contracts with these people who are restructuring Hydro, we have the revelation today that we have this Andersen group which is being contracted by the government to get money out of the folks on welfare, to collect on overdue student loans, to collect on grants and loans that were made to small businesses in this province under the aegis of the Northern Ontario Development Corp, and the list goes on and on. These people are being paid an exorbitant amount of money, in fact a contract that will see them get, it says, 90% of what they collect; so the government gets 10%, they get 90% of what they collect. That's not to speak of the money that is being paid to the people who are now producing and putting out this very attractive advertising campaign to sell the programs of this government.

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Do you not see some inconsistency there? On one hand, you've got government reducing, you're beating up on civil servants by way of contract negotiations and closing down public offices because you think they're not efficient, while on the other hand you're contracting with primarily, it seems, American private sector corporations to do work for you that the Ontario civil servants used to do. Is there not an inconsistency there? Is there not something there that the Premier would find difficult to rationalize or to justify?

**Ms Mushinski:** I detected there were a few questions in there.

**Mr Martin:** Good.

**Ms Mushinski:** One pertains particularly to the recent hiring of some Ontario Hydro executive individuals. That particular question, of course — I have to explain why I'm here and that is clearly —

**Mr Patten:** Because you have no choice.

**Ms Mushinski:** — to take questions and speak to the estimates of the Office of the Premier. I'm not equipped to answer in any detail whatsoever questions pertaining to other ministries, for example. I'm not aware if the Ministry of Energy, Science and Technology has had their estimates considered by this committee at this time, but I suggest that questions pertaining to the matter of the Ontario Hydro hirings should be referred to those estimates.

With respect to the auditor's report, which has also been raised, once again, I can't speak to the specifics, but what I would say is that we actually welcome the auditor's report and we welcome it for one simple reason. The auditor plays an extremely important and critical role in government. He protects the interests of taxpayers and in that respect he absolutely does play exactly the same role as the government. It's important for you to know that we too are here to protect the interests of Ontario taxpayers. We don't believe we are the government. We're the party that has been elected —

**Mr Wildman:** Then who is? Who is the government if you're not?

**Ms Mushinski:** We're the party that's been elected to fix —

**Mr Wildman:** To govern.

**Ms Mushinski:** — to fix government —

**Mr Wildman:** But you are the government.

**Ms Mushinski:** — and that's why we wholeheartedly endorse the recommendations of the auditor and we will ensure that they're acted upon.

**Mr Wildman:** If the Premier is not the head of the government, he should turn back his salary.

**The Acting Chair:** One at a time, please.

**Ms Mushinski:** In response to the question surrounding the comments with respect to the Andersen contract, once again I can't speak to the specifics of that and believe it is a question that should more appropriately be referred to the Ministry of Community and Social Services.

There was one final statement that was made with respect to government advertising, communications, I believe. In response to that, I would say that this government has made substantial —

**Mr Wildman:** Wait a minute, you said you weren't the government.

**Ms Mushinski:** — changes to the health care and the education system. In fact, we've made more changes to the health care and education systems, something that has been sorely needed for many, many years —

**Mr Wildman:** So you are the government.

**Ms Mushinski:** — clearly, as has been reiterated by both Mr Cooke and Mr Sweeney, far more so than in the history of this province, those changes that we have made.

Unlike the previous two governments, who absolutely refused to address the outdated and ineffective systems that I've just referred to, I would say to you that we had the courage to initiate these reforms and we continue to ensure that the taxpayers' needs are being served. We believe that we have a responsibility to ensure that our taxpayers know what these reforms are and what they mean to the public, because the public wants to know.

If we want to get into specifics of what previous governments have done, let's talk about the NDP and how they spent their advertising dollars. In 1994, \$6.6 million for TV ads for Smile, Ontario, and that actually came to a total of a \$10-million advertising campaign. It was a program to put your picture on the health card in 1994.

**The Acting Chair:** Does that have something to do with this year's estimates?

**Ms Mushinski:** It's really in response to the rather long and detailed question that was asked by Mr Martin when he did —

**The Acting Chair:** You have three minutes left.

**Mr Martin:** I have a supplementary.

**Ms Mushinski:** It provides the context in which I feel required to respond to some of the allegations that he has made. If you want to also look at —

**Mr Martin:** It seems the parliamentary assistant has indicated by her answer that there is no connection between the Premier's office —

**The Acting Chair:** Ms Mushinski is going to finish, and then you've got the chance of another question.

**Ms Mushinski:** Getting back to the previous government's advertising campaign, \$1.5 million was spent on

television ads about Jobs Ontario, which, I might say, did not create a single sustainable job — not one. To quote Mr Rae on advertising — Mr Rae, who suggests that capitalism isn't a really bad thing — he states: "Successful governments have a communications and advertising budget to beat the band. Unsuccessful governments think that advertising is sinful."

If we want to turn to the Liberal record, in 1990 the Liberal Party spent \$50 million, which was \$7 million more —

**Mr Martin:** On a point of order, Chair: I think I've been gracious in allowing the minister to answer some of the questions I've tabled. If she's going to monopolize the rest of the time that I have, I have a supplementary that I'd like to ask. It sounds like she's going to go off now into the Liberal record when they were government, and I don't think they denied that they were government when they were government.

**The Acting Chair:** I think we're getting off the track on the estimates questions that were asked, so I'll ask you to ask your supplementary. Two minutes.

**Mr Martin:** Thank you. There was a suggestion by the parliamentary assistant that the contracts that went to Ontario Hydro and Andersen and that the advertising campaign that we've seen flying around us over the last number of months had nothing to do with the Premier's office and that that was something that would be more readily answered by somebody else or that was under somebody else's responsibility.

Yesterday we tabled in the House a document that actually ties the advertising campaign, and I suggest that we could probably find documentation that would tie all of the other initiatives that I've mentioned in my previous question, to the government. I'd like some answer from the parliamentary assistant as to why she thinks that this is acceptable, how this fits in with the concept of good government that we've all come to expect in Ontario and how she is going to distance herself from this.

In this document which is about the advertising it talks about —

**The Acting Chair:** Mr Martin, there's only one minute left.

1700

**Mr Martin:** OK, very clearly: "The emotional impact of our advertising is perhaps even more important than the content of the copy"; "Most Ontarians believe that the government's motive in education reforms is cost-cutting." It goes on to lay out the Premier's and the government's position in front of these advertising campaigns. Are you saying that this doesn't flow from the Premier's office and that the Premier's office isn't responsible for the expenditures on these campaigns?

**Ms Mushinski:** I have not personally seen the document in question and I really do not feel equipped to respond to that.

**Mr Wildman:** Supplementary. The Premier did admit in the House yesterday that what he thought was a junior staffer, a junior staffer in his own office was the one responsible for this document.

**The Acting Chair:** One at a time.

**Mr Wildman:** Are you denying that?

**Ms Mushinski:** Mr Chairman, with respect, are you going to give me an opportunity to —

**The Acting Chair:** Yes, but it's got to be fast.

**Ms Mushinski:** OK then, I'll just say that most certainly I will do my very best to get a response to the members.

**The Acting Chair:** Thank you. Governing party.

**Mr Pettit:** I think, Mr Chairman, Mr Daniels had more to say. Do you want to finish your presentation?

**Mr Daniels:** Thank you very much. I've brought a couple of extra copies of the brochure for the Commonwealth innovation awards for Mr Martin, Mr Wildman, Mr Patten and Mr Maves. They weren't here the other day, and it sets the context of what I'm going to talk about.

It was a pleasure to be before the committee, Mr Chairman, the other day, to talk about the award Ontario won in the first international competition in the Commonwealth for public service excellence in reform. The document I handed out indicates the ten finalists from throughout the Commonwealth, from Singapore to Australia, England and South Africa. Ontario was the most successful of the presenters and won the gold award against programs across the Commonwealth that we continue to benchmark, like the service initiatives and the service charters in the United Kingdom and Centrelink in Australia. So it's with pride that I talk about the —

**Mr Patten:** Was this in 1985? When did you get the award?

**Mr Daniels:** Last month, September. Well, a month and a half ago, 1998.

A quick summary of what it's about: it's about service to customers. That's what the whole thing is about, service to the citizens, and it comes from a number of studies, one most recently completed that David Guscott mentioned earlier, which indicated that citizens want government that's timely; in fact they want government that's both timely and expeditious. Timeliness, as I said last week, is important to citizens across Canada. This was a study sponsored by Ontario, the federal government, the provinces of New Brunswick and Manitoba, to give you an idea.

If you look across Canada for provinces that are innovative on customer service, I think you'll find that they are in the lead. We wanted to know what Canadians — and in our case we had special data about what Ontarians want from their public service. They want services that are timely. They want services that are delivered through single windows. They don't want to have to go to various ministries and various operations to get service. They want the service to envelop them. They want single windows for business, single windows for land information, and I'm going to talk about some of those single windows.

They want less red tape and they want the government to measure up in terms of standards of service, so we put forward a number of our single-window services. Last



week I talked about Ontario Business Connects, and I'd like to spend some time on the other three, Service Ontario, Direct Access and Teranet, which are also electronic single windows for service in the province. The Ontario public service prides itself in having a vision of providing services to our customers and our citizens that is when and where and how they want it, so it has to be available electronically.

Last week I talked about Ontario Business Connects, which took a bunch of windows and brought them together. To start a small business in Ontario, there were multi-ministries, multi-contacts, and it would take you 12 to 15 weeks to complete a business start. In Ontario today, we have 100 workstations providing six licences and having a 96% customer satisfaction. In fact, it's not just through workstations; you can now start a business in Ontario — again, when we were presented with our award, this is why countries are coming to benchmark Ontario. There is nowhere else in the world you can start a business in 20 minutes or start your business on the Internet in the middle of the night, if you have a good idea and you want to get going. That's what the economy is based on —

**Mr Patten:** You can start a business in 20 minutes?

**Mr Daniels:** Yes, 20 minutes.

**Mr Patten:** I'd like a list of people who have started a business in 20 minutes.

**Mr Daniels:** Sure, 100,000 people used the system last year.

**Ms Mushinski:** I didn't hear that question.

**Mr Patten:** You can start a business in 20 minutes?

**Mr Daniels:** Sure, in the old days to get a business name, a business licence, all the permits took 14 to 16 weeks. All those permits are brought together in 20 minutes and you can print the master business licence on your home computer.

**Ms Mushinski:** Tremendous improvement.

**Mr Maves:** Unbelievable.

**Mr Peter L. Preston (Brant-Haldimand):** Why? Have you got a good idea, Richard?

**Mr Patten:** Many.

**Mr Daniels:** Another innovation that puts Ontario right at the top in terms of service is the whole area — and it's quite a busy area; a lot of people don't realize how busy it is — of automobile liens. Each year there are a million inquiries and two million searches as people transact cars, and in the old days, not too long ago, the process we had was very labour-intensive. Before we had Direct Access, people would call, wait for 15 minutes, wait in a queue. We didn't take credit, you had to have money on account, you would have to wait for our operator to call up the data and read them to you over the phone, then you would write down that the car was free and clear or, if there were any liens, what they were.

As you could guess, when people are transacting those kind of data over the phone there are a lot of opportunities for errors, omissions, mistakes, but now we take credit cards for lien searches. We used to be only open from 10 in the morning until 4 in the afternoon, Monday to Friday.

Not many cars are sold in those hours, as any of you who are in the car business know. We found from the used car dealers and the Ontario Automobile Dealers Association that most cars are transacted on Saturday and in the evenings. Now we're open from 8 am until 8 pm, Monday to Saturday. That allows the business community, the banks, the car dealers, individual consumers to call right in and get an electronic on-line lien search, but more importantly, to do an on-line lien registration from the bank right in rather than going into the government and transacting in paper. It is fully electronic. We're running at 96% electronic transactions. This is virtual government, what all government will be like in the future, in the transactional world.

**Mr Patten:** I hope not.

**Mr Daniels:** Oh, I think for transactions you don't — this is customer service.

**Ms Mushinski:** Absolutely.

**1710**

**Mr Daniels:** That allowed the province now to reduce its expenditures by half, to go from a \$4-million expenditure to a \$2-million. More importantly, because the service is more accessible, more people used it; not that the fees were raised, this is very important, but accessibility increased revenues. That branch operates at a net profit of \$36 million. At the same time, it provides fast service, more products, higher customer satisfaction.

Another technology that's quite innovative, and it does bring together the public and private partnership, is Teranet. I talked a bit about it the other day. Before we had Teranet, a land information system, land parcels had been transacted in the same way since 1795. We had developed four million land parcels in Ontario in two systems, one an old British registry system and one the 1895 — that's the modern one — Torrens system of land registry or land titles. We had 400 million pieces of paper in the land registry offices — 400 million pieces of paper would circle the globe at the Equator four times.

In order to create an electronic system — of course, you could only transact in the county you lived in; the land registry offices would only allow you to transact locally — we had to have a service that would not be limited by hours, not limited by jurisdiction, and would take those 400 million documents so that people could search the history of the property and image them. Can you imagine imaging that kind of paper functionality? With our partnership with Teranet, 250 million pages of documents have already been imaged; 2.5 million properties have been turned from paper-driven to electronic.

In the very near future, you'll be able to register and search title from anywhere in the world, not from the local land registry office. If somebody in Europe wants to open a business in Canada, they can actually look at our Web site for small business start-up or business start-up. They can look at the land that they wish to acquire. Teranet integrates all land systems so that you can see all the adjoining properties, the values, the major routes of transportation, your taxation. All that information is brought together so that business, commercial and residential

people can transact electronically. You can transact from your home.

The result for government of a project like Teranet is electronic access to land systems. There were 61 civil servants transferred to Teranet. Teranet now employs directly 1,000 people and indirectly up to 2,000. It created jobs, jobs with the highest retention in any high-tech industry in Canada — low turnover, high morale. There's a recent case study done on the morale and — the question Mr Patten asked — these were civil servants at the heart of this company that is now competitive and creative. It is the world's largest land registry project. It is the world's largest imaging database. To back-file that many documents —

**Mr Patten:** They're not government officials anymore.

**Mr Daniels:** No, but the government is a partner and the —

**Mr Patten:** They're working for a private firm, are they not?

**Mr Daniels:** They're working for a partnership of which government is a 50% shareholder.

**Mr Patten:** Who are they working for? Are they public servants or are they —

**Mr Daniels:** They're OPSEU members. They're not public servants, but they are represented by a public service union. They are owned by the province of Ontario and by the partner groups, which include SHL Systemhouse, Canada, and EDS Canada. The major shareholder is a company called Teramira, which is a pension trust group of Altamira, a very strong Canadian concern.

That's Teranet. We should be really proud of everything it's accomplishing for Canada. It's selling its products in Lebanon, Jamaica, Trinidad, Shanghai. It's a world-class company using data, services and programs developed in the province.

Now I'm going to talk about the last one. It's probably the one most people are familiar with, and it's our partnership with IBM to deliver electronic services to individuals. We've created a single window for business through OBC, a single window for land information through Teranet, a single window for financial services through Direct Access, but the most important one is the individual and how they transact with government, particularly around transactions. I'm not talking about value-added things like social services and that, but when it's a transaction, people want to be served quickly from their homes and they don't want to waste time lining up in a government office. They want their services electronically.

Some 86% of businesses recently surveyed by Decima, by our Ontario Business Connects, said they preferred to file electronically. Only 6% of businesses prefer to file paper. The world has turned to electronic services and the government has kept pace.

Service Ontario is a spectacular success. It provides vehicle licences, driver histories. You can change your health card address. It has the whole automobile lien — this is the thing I talked about earlier, the personal property search system. It has personalized licence plates,

you can pay parking fines and for hunting and fishing licences.

The strategy behind Service Ontario is very simple and totally focused on the customer. We call it the wallet strategy, something as simple as that. People carry a wallet around and in that wallet are several government — at all levels of government — transactional cards. In the old days, if you lost one card you'd lose them all, usually. In one part the government asked you for two other proofs of identification. It was kind of silly.

We're developing a strategy that brings all transactional services together. It wasn't long ago when all our drivers' licences expired on the same day and people would wait until the last minute. It would expire in February and March, the coldest times in Canada. When I tell this story to people from other countries and tell them it expired in the middle of winter — it wasn't a very thoughtful thing on our part. I don't know what we were thinking back then. Now, of course, you can get your driver's licence, as I did this year, using the kiosk, in three minutes. I did it on my birthday. I waited until the last possible moment. I was working late in the government office and I walked downstairs and transacted, because that one is open all the time. Most of them that are in the malls are open as long as the malls are open, so you can get your driver's licence on Saturday, Sunday, Monday night, Tuesday night, your birthday — wait until your birthday. It's an amazing program and it's very simple. If any of you have used it, it's an on-screen technology.

**Mr Patten:** We don't have any in Ottawa.

**Mr Daniels:** Sure you do.

**Mr Patten:** Where are they? I've never even heard of them.

**Mr Daniels:** One's at the Rideau Centre.

Last year, 700,000 people used these machines and next year over a million will use them.

**Mr Preston:** But not Richard.

**Mr Daniels:** But all people will eventually. When you use them you'll be amazed. As I say, there are astonishingly real benefits. You don't see public service get those kinds of marks for service, commitment and delivery: 97% said it saved time — that's 700,000 people they surveyed; it's not like one or two people caught out in front of a building; this is real, high-end stuff — 95% said it was easy to use and 94% said it was convenient.

The most important question is — remember now, you're paying the government for your parking tickets, your driver's licence, you're transacting in money, and you're saying, "Hey, I enjoyed this" — when do you hear people say they enjoy giving the government money? They remember what it was like when it was a service where you lined up in the cold or for hours and wasted your lunch hour waiting for the government to serve you. That's not going to happen in the future. People won't wait for that, and they don't, and you can see, as I say, astonishingly real benefits.

Other countries across the world want to be like Ontario. The Minister of Public Service in the United Kingdom, David Clark, in a speech in the United



Kingdom, not here, but to civil servants and leaders of the business community in Great Britain, said, "I want to be like Ontario." In fact, Mr Blair went on to say himself that he'd like to provide citizens of UK with electronic services 25% of the time by the end of his term.

Everybody in the world is benchmarking Ontario now. Now that we've won the award and shown our leadership, and more and more countries will come here to study Ontario's public sector reform and service delivery models. As it is already, we've had over 30 countries with 3,000 public servants. We're in partnerships in developing similar programs in Arizona, the Czech Republic. We're partnering with the government of Lithuania — my roots — to help them set up a public service.

1720

Am I almost finished? I'll do my last two slides very quickly.

**The Acting Chair:** You'll have to hurry, because your time's up.

**Mr Daniels:** OK. I guess I'll use one slide then.

**The Acting Chair:** Make it fast.

**Mr Daniels:** When I was representing us here, we said we have products that have benchmarked nationally and internationally. We have partners in other parts of the world who have modelled on Ontario. But the thing I think we should be most proud of is that we have 96% citizen-customer satisfaction in high transaction areas.

**Mr Maves:** On a point of order, Mr Chairman: The presentation was impressive. I just wonder if Mr Daniels could get some hard copies of that presentation to the members of the committee. That's the first part.

Second, maybe you could get unanimous consent to disperse with the remaining time and move to the vote.

**The Acting Chair:** Is that agreeable? There's 20 minutes left for the official opposition and five minutes left under our hours for the New Democratic Party.

**Mr Patten:** I'd like a few minutes, anyway. I'll take half my time.

**The Acting Chair:** It's your turn now.

**Mr Patten:** By the way, Mr Daniels, thanks for that. I think that's great. What percentage of households in this area have computers?

**Mr Daniels:** I can't say, in terms of individual computers, but we found that 86% of small businesses have Internet capability.

**Mr Patten:** Households.

**Mr Daniels:** I think I've seen it somewhere, and it's going to be quite high by the year 2000. It's pretty high.

**Mr Patten:** You're skating around. You're a good politician, Mr Daniels.

**Mr Daniels:** I don't have the answer.

**Mr Patten:** About 14% or 15%, maximum. Yes, most businesses have computers.

**Ms Mushinski:** As of what year?

**Mr Patten:** Let's say last year. It was 13% or 14%.

**Ms Mushinski:** I'll bet it's higher than that.

**Mr Patten:** Let's say it's 16%. Let's say it's 20%. It doesn't matter. My point is that most households don't. It depends on your income level. The higher your income the

more likely you are to have a computer, which is not to discredit what you're doing here, because I've seen the threads of that go back for many years, especially on the land transfer arrangements. I think there was a program called Polaris. I remember that very well. I think that was the pioneer of what has —

**Mr Daniels:** It was the precursor of Teranet.

**Mr Patten:** — eventually emerged, so it's great to see that that's happening. I agree with you; there are many services that can be like that.

**Ms Mushinski:** We are talking about kiosks, not in households.

**Mr Patten:** Yes, I understand that.

**Ms Mushinski:** And we're talking about serving small business.

**Mr Patten:** I understand that. But we also have to serve everybody.

**Ms Mushinski:** We understand that too. The kiosks serve the public too, by the way.

**Mr Patten:** Yes. My point is that that's only one part of the area of service. I would venture to say, as I mentioned before, that members would receive calls where they've had difficulty — you will know this, parliamentary secretary — in the area of the family support program, with the centralization of computers into Toronto. It's great if you live in Toronto, which is obviously the apex of the world. Most of the public servants are from Toronto. A lot of the politicians are from Toronto.

It skews the perception of managing a province, a huge piece of territory, which is very diverse and very regionalized. I'll tell you, you don't have to go very far outside of Toronto, and the further out you go, the more embittered people are about the advantages of being in Toronto.

First of all, if you're in Toronto you don't have to call long distance. I always tell my constituents, "Call collect," because there are certain places that used to have an 800 number and now don't. There's a discrepancy in service to people, especially if they're from outside of Toronto and outside of 416.

I've even had people phone the Premier's office when they were upset. I said, "Don't tell me. I'm not government." They said, "What's the Premier's number." I said, "Here's the Premier's number." They'd phone the Premier's number, and whoever answered said, "Who is it?" I said: "Call collect. Why should you pay for this? You pay your taxes like anybody else in Toronto. Why should you not have the same advantages?" So they're asked: "Who are you? What do you want?" The person said, "I'm a taxpayer." Then they took the call.

**Ms Mushinski:** I'll let Mr Daniels speak to the more technical aspects of your question, but every service that he referred to is no more accessible in Toronto than any other part of this province.

**Mr Patten:** Yes, it is. They live here too. Where do you live? Where does the deputy live? Mr Daniels, where do you live?

**Mr Daniels:** I live in Toronto, but I've lived in Peterborough and London. I've lived all over Ontario.

**Mr Patten:** You live in Toronto. Everybody here lives in Toronto. All the advisers live in Toronto, so you get this perception that comes out of Toronto —

**Mr Daniels:** I've worked in —

**Mr Patten:** I'm not trying to dump on Toronto. I'm just saying it's a fact of life, and we always have to be aware of it. That's all I'm saying. I want to talk about other services.

**Ms Mushinski:** But you have left a misconception here that the services that have been described by Mr Daniels are more accessible in Toronto than they are in other parts of the province —

**Mr Patten:** I didn't say that. I said that —

**The Acting Chair:** One at a time, please.

**Ms Mushinski:** — and I think he should have the opportunity to respond to that.

**Mr Patten:** I did not say that. I said what he was talking about was fine, and then I went on to say there were other kinds of services, like family support services, where people from all over the province had a hell of a time. They had such a difficult time that the government placed a special number in every MPP's office in order to respond. They had centralized everything in Toronto, and as we know, they left hard-copy files in some of the regional offices when they closed them down so fast, because the government's wish was to save money. I'm saying to you that hurt the service to a lot of people and a lot of families throughout Ontario. It still goes on, because they're human services. I'm not talking about the hard services, just transactions like this kind of thing.

**The Acting Chair:** Three minutes, Mr Patten.

**Mr Patten:** I'm talking about those services, and if you're saying to me that you're happy with all of the services for family support services, the Ontario disabled program, which took over for family benefits program — the same thing, another computer program here.

I had a man who was 48 years of age and had injured his back. He had always worked all his life and never wanted to be on welfare. His doctor told him he couldn't work. It took him six months to be able to get on to this particular program. There was no transitional program because it was in Toronto. He had to write to Toronto. Toronto would only send him something. The guy could hardly read and write English. The Greek community association was helping him and I was helping him to try and get this kind of service. I'm just saying that there are areas of service to people who have human needs and problems in their families where I think we could do a better job. I'm not saying you're the only government, by the way, that has not. I don't think there's any government that has been as adequate as we should be.

I also would like to ask you why this centralization to Toronto is taking place. Do you think that, ultimately, this is going to give you the best bang for your buck? Because it's obviously —

**Ms Mushinski:** In speaking to the disadvantaged and the disabled, there are things that we are doing. It's unfortunate that you weren't here last week, Mr Patten, because Mr Daniels did describe a particular pilot project

that actually does serve the most vulnerable and disabled citizens. It's a pilot project that we've started in Thunder Bay and it uses technology. I'd like Mr Daniels, just very briefly, Mr Chairman, to explain what that program is, because I think it will respond in some degree to some of the concerns you've raised.

1730

**Mr Patten:** I have another question if there's any time. How much time have I got?

**The Acting Chair:** We can't do the vote until 5:47. The way it was, you had your original 20 minutes and Mr Martin had five and it would bring us to —

**Mr Patten:** No, I said I would cut down my time. I just want to know how much time I've used.

**The Acting Chair:** You're out of time. In fact, 10 minutes you're out.

**Mr Patten:** I want another two minutes, if that's all right.

Let's chat afterwards and you can tell me about this program, OK? Because I want to get this question out.

**Ms Mushinski:** It is in keeping with our whole approach to moving service out into the community vis-à-vis the centralization that you've just talked out. It's an important program that has been started by the Ontario public service to address the very things you have said. I urge you to pursue that because it does respond to those concerns.

**Mr Patten:** I truly would be interested in that because I think that's the propensity of all governments. I say that as a non-partisan comment. It's something that big governments have to particularly watch for because it's so easy — you read the Toronto newspaper, you listen to Toronto radio and you begin to see the world through the eyes of them. But it is a provincial government; that's what my point is.

**Ms Mushinski:** It is, absolutely.

**Mr Patten:** My last question is one that was first raised by Mr Wood. The Premier said that one of his junior staff, I don't know who it is — presumably you hadn't seen this, or you said you didn't see, this communication strategy that was developed. Is that what you said, for the record?

**Ms Mushinski:** I believe I did say that I hadn't received the document that was referred to by Mr Martin.

**Mr Patten:** So you're not aware of which junior staff it was that the Premier referred to who were considering this or working with this.

**Ms Mushinski:** No, I'm not aware.

**Mr Patten:** And who would have hired Mr Watt to put this in it? This is in the Premier's office. He agreed that it was yesterday. If it was for the Premier's office, why wouldn't it be paid for by the Premier's office? Who's paying for it, this advice? Here's a consultant. James Watt is not a public servant. He's not full-time on the Premier's staff or any other staff. He's obviously being paid as a consultant. Who's paying him?

**Ms Mushinski:** Again, I have not seen the document. I'm not aware of any of the details with respect to Mr Patten's question whatsoever.



**Mr Patten:** This principle has been developed through Jamie Watt's observations of focus groups when they were first writing the document. Can I ask you if you can table that at a future point?

**Ms Mushinski:** As I've said, there are absolutely no consulting costs in the Premier's office.

**Mr Patten:** The Premier himself said this was a document from his junior staff where they were looking at it. If they were looking at it, who paid Jamie Watt to put this copy together, this particular communications strategy, which is quite insidious, I must add, in its strategy to, essentially, dupe the public on their perceptions about things and use taxpayers' money through the various ministries, I suppose.

*Interjection.*

**Mr Patten:** Well, they are, through the various ministry advertising budgets, dictated by the Premier's office. I would like to know who paid Jamie Watt and which staff did he relate to?

**Ms Mushinski:** As I have said, I am not aware of any of the details pertaining to Mr Patten's question, but I will take the question under advisement.

**Mr Patten:** I would like an answer to those questions. If you don't know, fine, I can appreciate that, but I'd like you to dig into it and report back to the committee on who paid Jamie Watt and who are the two staff, apparently, or whichever junior staff, related to him on this particular strategy.

We will watch to see whether there's another advertising campaign that will emerge in relation to the school closures. We all know who's going to pay for that.

If it's not from the Premier's office, why is the Premier on TV? Why do all those pamphlets have his signature? Why do they all say, "Write to the Premier of the province," with his address? This has nothing to do with the Premier's office, nothing at all to do with the Premier's office? It's incredible, it's an embarrassment. I'm ashamed to say I'm even connected with this kind of stuff and I'm sure a lot of members of your party are too. It's terrible.

**Ms Mushinski:** As I've said, I will take the comments and the question under advisement.

**The Acting Chair:** Mr Martin, five minutes.

**Mr Martin:** I want to go back to the issue of leadership and the responsibility the Premier's office and you as a parliamentary assistant have re the direction this province finds itself going in. A report came out last week that was reported widely in the news. It's called *The Growing Gap: A Report on Growing Inequality Between the Rich and Poor in Canada*. If you read it, everything in here speaks of a reality that is quite troubling. Lower-income people in Ontario are actually getting poorer while the rich are getting richer and the middle class is disappearing altogether.

**Mr Preston:** Could you tell us who put out the report you're quoting from so we'll know?

**Mr Martin:** Centre for Social Justice.

**Mr Preston:** Who is that?

**Mr Martin:** They are a think tank at 836 Bloor Street West in Toronto, "a progressive think tank engaged in research and educational activities designed to strengthen the movement for social justice. The centre brings together people from universities, unions, faith communities and other community organizations. Founded in 1997 in order to carry on much of the work of the former Jesuit Centre for Social Justice, Faith and Action."

The numbers that were put out are actually quite troubling and you should have a look at them, particularly the last couple of years. Even with the gap growing in the last 15 years, the bottom end were still increasing their income ever so slightly. It's only in the last two years of the study, 1995 and 1996, that you actually see the poor losing ground while the rich continue to increase in leaps and bounds.

I just wanted to put into the record and then perhaps have the parliamentary assistant respond quickly, if I might, on a couple of the comments out of the report. It says, for example:

"The government of Ontario cut welfare by 22% in 1995, affecting more than 750,000 people. In the spring of 1998, pregnant mothers on welfare lost a further \$37 monthly nutritional supplement allowance, which the Premier referred to as 'beer money.'

"A single employable person on welfare can get a maximum of \$515 a month now for all allowances and shelter costs. At the bottom, the issue is not lifestyle enhancement but trying to escape abject poverty."

Then it goes on to say:

"The appropriate incentives for the elite are richer and richer bonus and stock option packages. For the rest, the appropriate incentives are high unemployment rates and restricted benefits from unemployment insurance benefits and lower social assistance. The explanation we are given for both phenomena is free market forces."

This type of reasoning leaves a lot to be desired, in my view. It goes on to talk a bit about the five faces of the gap. I'm just going to mention a couple here.

"The employment gap: Access to paid work, any work or enough work, is key to understanding what has been happening to the poorest families over the last generation. The casualization of work has hit young people and families the hardest but has become a permanent feature of the labour market."

Then it goes on about the income gap:

"Governments have made radical changes in the way they provide income for people without a job and how much income support people can expect. The erosion of this help has been most rapid since 1995. The social stability enjoyed by Canadians for much of the past 25 years is starting to give way to increased inequities in the distribution of income."

I could go on further, but I don't think I need to.

**Mr Preston:** It sounds like it was written in 1992.

**Mr Martin:** I think you understand the points I'm making here. The gap is growing, and it's growing because of the move, particularly by this government in the last two years, to everything being driven by forces of

the market. I shared with the committee earlier some examples of where this government is now turning over a lot of the work it does to private sector firms that don't seem to have any concern re how much their executives make, while at the same time programs they continue to run are taking more and more away from those who are at the bottom end of that income scale. Are we to expect more from this government of that kind of initiative? Is that where we're going as a province? Does that concern you at all, as the parliamentary assistant to the Premier of Ontario?

**Ms Mushinski:** First of all, it's important to note that the statistics in the Centre for Social Justice report actually only go to the year 1996, which was less than one year into our mandate, so the study results are really a report card on the opposition party years in government.

We actually agree with the findings of the study. The middle class took it on the chin really hard, both under the Liberals and the NDP. They hiked personal income taxes on individuals making \$25,000 annually by \$290. Mike Harris has cut their taxes by \$510. We've actually made it our business to be the champions of the middle class. The

reason we've done that is because we're sick and tired of seeing successive provincial governments put the screws to hard-working families. That's the reason I have a resolution that's going to be debated on Thursday asking for even further cuts for the middle class, because we believe it's time government supported the hard-working middle class and stopped putting the screws to them like previous governments did.

**The Acting Chair:** Thank you, Ms Mushinski. That completes the time allotted for the review of the Office of the Premier. I'd like to thank Mr Daniels, the parliamentary assistant and the committee members.

It comes time for a vote now on the Office of the Premier and I've got to put the question: Shall vote 2401 carry? All in favour? Opposed? Carried.

Shall the estimates of the Office of the Premier carry? Those opposed? Carried.

Shall the report of the estimates of the Office of the Premier be reported to the House? Agreed.

**Mr Preston:** Are we adjourned?

**The Acting Chair:** Yes, adjourned.

*The committee adjourned at 1744.*





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**Official Report  
of Debates  
(Hansard)**

**Wednesday 4 November 1998**

**Journal  
des débats  
(Hansard)**

**Mercredi 4 novembre 1998**

**Standing committee on  
estimates**

Ministry of Intergovernmental  
Affairs

**Comité permanent des  
budgets des dépenses**

Ministère des Affaires  
intergouvernementales

Chair: Gerard Kennedy  
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## LEGISLATIVE ASSEMBLY OF ONTARIO

## ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON  
ESTIMATES

Wednesday 4 November 1998

COMITÉ PERMANENT DES  
BUDGETS DES DÉPENSES

Mercredi 4 novembre 1998

*The committee met at 1541 in committee room 2.*MINISTRY OF  
INTERGOVERNMENTAL AFFAIRS

**The Chair (Mr Gerard Kennedy):** Welcome, Minister. We are ready to proceed with the estimates for the Ministry of Intergovernmental Affairs.

**Mr Bud Wildman (Algoma):** Point of order: I'm just a substitute on the committee and not a regular member, so this probably has been explained before. I'd appreciate it if the Chair or someone on the committee could explain to me the rationale for the allotment of hours. I have in front of me the list pursuant to standing order 59. I note that the Ministry of Health, which is one of the largest ministries, with the largest expenditures in the government, was before the committee for 9 hours; Education and Training, another very large ministry, 7½ hours. This ministry is 15 hours. I wonder if I could get some explanation.

**The Chair:** Certainly. As you may be aware of the standing order, each caucus selects the part of government expenditure that they feel needs to be brought before Estimates. The first two choices were by the official opposition, and their 15 hours were divided between two ministries. The third party chose their two, and now we are into the business of the government party, which has chosen to examine intergovernmental affairs for, I believe, 15 hours. So it's the choice of each party caucus to focus the amount of time and the specific ministry.

**Mr Wildman:** So this would mean that either the government members believe there's something in this ministry that really needs to be looked at, or they're just trying to waste time.

**The Chair:** I can't comment on that, Mr Wildman, but that is the procedure. We will commence.

Welcome, Minister. You may introduce your staff as they are drawn upon to elucidate the discussion. That is certainly helpful for purposes of Hansard. I'd like to introduce to members of the committee our new clerk, Ms Anne Stokes, who is joining us today.

I would like to remind everyone of the format for examination of the ministry. We have half an hour for your presentation, Minister, followed by comments by the official opposition and the third party. Then you will have a half-hour to respond, after which we will go to

questions. Just before starting, I will remind the committee, and I'm sure the different whips are aware, that we are approaching the date when the estimates will be put, and that means it's important to make the most of the remaining time we have.

Minister, we're now ready for you.

**Hon Dianne Cunningham (Minister of Intergovernmental Affairs, minister responsible for women's issues):** I have with me today my deputy minister, Mr Bob Christie; our director, Craig McFadyen; our administrative coordinator, Kevin Owens; and our senior intergovernmental affairs specialist, Liz Harding, who are sitting behind me. I'd like to thank you for this opportunity. I know that a few of us have been this route before. I'm looking at my colleagues from the NDP and the Liberals. We spent a lot of time together. I assume that Mr Wildman's compliments today were just that, compliments.

**Mr Wildman:** No aspirations cast.

**Hon Mrs Cunningham:** I thought not. We've spent a lot of time together. My two critics, Annamarie Castrilli and Mr Wildman, will be familiar with the position I'm presenting to everybody today with regard to this report.

**Ms Annamarie Castrilli (Downsview):** On a point of order, Mr Chairman: I heard the minister say that we were her critics. I think that I and probably the NDP critic would both want the record to be clarified to indicate that we are the critics of her ministry but certainly not of the minister herself.

**Hon Mrs Cunningham:** Great. That's super. I was saying that because we have worked together a lot.

**The Chair:** I appreciate both the comment and the civility here.

**Hon Mrs Cunningham:** They're party to a lot of the things I'm saying today, so I'll be interested in their comments, and in those of my own colleagues, of course. They'll be asking questions too.

It's obviously my pleasure to appear before the standing committee and to present the estimates of the Ministry of Intergovernmental Affairs and defend them if necessary. I plan to take this opportunity to review the ministry's estimates and provide you with an overview of our ministry's vision in core businesses. I'd also like to discuss the goals and objectives of Ontario's relationships with the federal government and the other provinces and territories, and review the positive and constructive steps

our government has taken to fulfill our intergovernmental objectives.

Our presentation will highlight how Ontario is showing leadership and being a constructive partner in renewing the federation. In this regard I would add that we have taken the good advice of the former government, and the government before that, and carried on with some of their direction because it has been the interest of all governments in the last decade to take a look at the way the country can be more effective and efficient, and how we can make those incremental changes to the way our day-to-day work becomes more positive for the people we represent.

I'm going to divide my remarks into two main sections. I'll begin by discussing the administrative aspects of our estimates, including the Ministry of Intergovernmental Affairs's role and our budget. Then I'll move on to elaborate on our objectives, intergovernmentally, for Ontario including our efforts to strengthen the federation and the pursuit of equitable treatment for Ontario's citizens and our approach to national unity.

My ministry is collaborating with federal and other provincial and territorial governments to identify ways to create a more efficient and effective federation. Our goal is to develop practical, common sense changes to the Canadian federation that will benefit Ontarians and all Canadians in their everyday lives. In particular, these objectives are pursued in the ongoing negotiations among the federal government, the provinces and the territories on a framework agreement on Canada's social union. The ministry has devoted many of its resources to these complex and important negotiations with our partners in Canada.

In short, the ministry's principal functions are developing corporate strategy, providing advice and gathering information to help the government effectively conduct Ontario's relations with the federal government and improve partnerships among provinces and territories; working with other governments to create a more efficient and effective federation while maintaining high-quality service to Ontarians; providing strategic policy advice to the Premier, to myself, to the cabinet and the entire membership of our caucus on maintaining a strong and united Canada; and organizing and coordinating Ontario's participation in first ministers' meetings, annual premiers' conferences and other major intergovernmental meetings.

1550

On the issue of the Ministry of Intergovernmental Affairs's role and its budget: Before proceeding with a discussion of how we are carrying out the government's intergovernmental objectives, I would like to talk briefly about the ministry's organization and its budget. The Ministry of Intergovernmental Affairs is a small ministry in terms of staffing. The entire staff complement is 39 people, a 40% decrease since 1995-96. Like other ministries in government, the Ministry of Intergovernmental Affairs has had to contend with constraints over the last three years. The ministry's budget in 1998-99 is \$4.5 million, a 19% decrease since 1995-96. We've been

able to manage these constraints by reducing our administrative costs and concentrating our resources in the office of constitutional affairs and federal-provincial relations in order to carry out our core business.

MIA also provides strategic advice to other ministries and works with opposition leaders, when appropriate, to keep them informed of intergovernmental developments. We provide advice and support to other ministers when they attend interprovincial or federal-provincial meetings. Through strong analysis and coordination of government-wide activities, we ensure that Ontario speaks with a strong and consistent voice in all intergovernmental forums.

In addition, the ministry provides support to me and to the Premier when we attend intergovernmental meetings, such as working sessions of the Ministerial Council on Social Policy Reform and Renewal, sessions on non-social policy issues as well, the annual premiers' conferences and the first ministers' conferences.

I think a more detailed description of our ministry's organization will provide you with a better understanding of how we do business. The overall structure of the ministry consists of a policy division, an office of constitutional affairs and federal-provincial relations and a main office comprising the minister's office and deputy minister's office. The policy division has been reorganized into a project-oriented team structure, which ensures optimal use of existing resources and allows greater flexibility to better enable the ministry to deliver high-quality strategic policy advice to myself, the Premier and the cabinet.

The ministry recognizes the importance that the government places on the efficient and effective delivery of high-quality public services within a smaller, more flexible and accountable organization. The ministry realized efficiencies and savings in the past year and will continue to look for innovative ways to work more efficiently and effectively.

Ontario's intergovernmental objectives: Over the last three years, Ontario has had three interrelated objectives in the conduct of its federal-provincial relations. Those objectives are to ensure that Canadian federalism is efficient and effective, to see that Ontario residents are treated equitably by the federal government and to strengthen national unity. These three objectives have guided what we have done in our ministry since 1995. These same objectives have inspired governments in the past and will continue to do so in the future. By clearly defining our objectives and focusing our efforts on achieving them, I think we have enabled Ontario to have a greater impact on events and policies in Canada.

I would like to examine Ontario's intergovernmental objectives in turn, and outline for you the actions we have taken to achieve these objectives.

Strengthening the federation: The first intergovernmental objective I'd like to examine is the effort to shape a more efficient and effective Canadian federation. Our work on this question is the key to Ontario's actions in the intergovernmental field over the last three years. We've



worked closely with our colleagues in other provinces and territories to outline how Canada can be changed for the better. By making practical, step-by-step changes to current arrangements in the federation, we can build a stronger and more united country for the future.

Rethinking the roles and responsibilities of the federal and provincial orders of government has been one of the centrepieces of Ontario's intergovernmental priorities over the past three years. This concept flows from Ontario's concern with increasing the efficiency and effectiveness of government and making governments more accountable to Ontarians and all Canadians. To make government more efficient and effective as well as more accountable, it is necessary for governments to work together while respecting each other's jurisdictions. The national child benefit is a good example and could serve as a model for how governments can work together in partnership.

Provinces saw a need in the area of provincial jurisdiction and promoted the idea with the Prime Minister. At the provinces' insistence, the national child benefit was taken up by the federal government as a priority at the 1996 first ministers' conference. Agreement on the structure of the national child benefit was announced by federal, provincial and territorial social services ministers in January 1997. FPT social services ministers provided a status report to their premiers for discussion at the August 1997 annual premiers' conference, outlining details on the national child benefit to be implemented in July 1998.

The national child benefit is designed to provide a monthly benefit to all low-income families and children regardless of the source of their income — welfare or work. The objectives of a national child benefit are to reduce child poverty by eliminating current disincentives to work. This would be accomplished because low-income parents would continue to receive benefits for their children even after leaving welfare for low-paying jobs. Both the federal and provincial governments have clear and specific roles in the national children's benefit. The federal government will be collapsing two existing programs, the child tax benefit/working income support, into one benefit and is providing an additional \$850 million for the new benefit, the Canada child tax benefit, to be targeted at low-income families.

Provinces will reduce payments to social assistance recipients by an amount that matches the federal increase and redirect these resources to programs, services and benefits for children in low-income families. Ontario will have a reinvestment fund of approximately \$150 million. In the 1997 budget, we announced that \$100 million of the \$150 million would be directed to the new Ontario child care tax credit. At the 1997 annual premiers' conference, premiers called on the federal government to make a commitment that it will provide the annual investment necessary, estimated at \$2.5 billion, for the national child benefit to meet its objectives by the year 2000. This is how the Canadian federation should work: governments co-operating to share responsibility for programs of real benefit to people wherever they live in this country.

While the national child benefit provides an example of the federal and provincial governments working co-operatively together, there are other areas where Ontario and the federal government do not see eye to eye. One area in which the government of Ontario disagrees profoundly with Ottawa is the treatment of Ontarians under federal programs. Ontario supports the principle of equalization as outlined in the Constitution. We believe that the appropriate place for equalization to be provided is in the federal government's equalization program, but we don't believe that other federal programs should have implicit equalization built into them. Let's look at three examples: federal funds for job training in the provinces, federal distribution of regular EI benefits and federal transfers under the Canada health and social transfer, referred to as the CHST.

First, job training: The federal government has offered to transfer the responsibility and money for active labour market measures to the provinces. Such a transfer would help individuals get better access to training and other job services. We want to strengthen the labour market system and make it more responsive to the needs of individuals and specific communities. These changes will also reduce wasteful overlap and duplication between provincial and federal governments.

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Ottawa has negotiated labour market agreements with all provinces except Ontario. The key obstacle for Ontario is the federal government's decision to allocate only 27% of total funding for job training to Ontario in 1997-98. Ontario accounts for 39% of the national labour force and 36% of the unemployed in Canada. At 27%, the federal government is not offering nearly enough funding to meet labour market needs for the people in this province.

Federal labour market spending now comes mostly out of the federal government's employment insurance fund. An equitable share of federal money should be used to provide job services, including training for Ontarians who need it, especially in light of the level of contributions Ontarians make to the EI account.

The federal government is deliberately building up a huge surplus in the fund by maintaining high premium rates for both employers and workers, and each year a disproportionate amount of this annual surplus is contributed by workers and employers in Ontario. Since 1994, Ontario employers and workers have paid for about two thirds of the accumulated \$19-billion surplus. That's a lot of money. Ottawa is using these surplus funds to help balance its books rather than fund training or cut premiums. We think this is wrong. The people of Ontario should have the same opportunity to train for jobs and the same access to job services that people in other provinces and territories have. After all, an unemployed person in Thunder Bay is just as unemployed as someone in another province. Why should a resident of New Brunswick in exactly the same situation receive up to four times more support?

The second example of inequitable treatment is the distribution of regular EI benefits from the employment



insurance fund. In 1997, working people in this province paid a total of about \$8 billion in EI premiums but got back less than \$3.5 billion in benefits. That is an overpayment of \$4.5 billion to the EI account. For those of us who went through this last year, you can see the problem is becoming even greater.

In addition to overpaying into the EI account, it is more difficult for a worker in Ontario who has lost her job to qualify for regular EI benefits than it is for a worker in Nova Scotia or Newfoundland who has lost her job. The EI program was designed to provide a safety net for all Canadians no matter where they live across this country. It was not created to favour residents of one region of the country over another.

Finance Minister Paul Martin has recently stated that he is considering introducing legislation to permit the employment insurance account to be used for purposes other than employment insurance. This would further entrench discrimination against Ontario under federal programs. My colleague Finance Minister Ernie Eves recently wrote to Mr Martin and clearly articulated Ontario's concerns and the concerns of the people of Ontario who are very much confused about why they should be paying twice the amount of premiums than they get back either in wage replacements or opportunities for retraining, and very much confused about the fact that they seem to have stiffer rules about their eligibility in the first place, which, by the way, were not negotiated with any of the provinces or territories.

All premiers agreed at their meeting in August, everybody agreed in August, that EI premiums should be reduced and eliminated entirely for young Canadians. This move could create as many as 200,000 new jobs. Ontario has consistently pushed for a reduction in premiums to \$2.20 per \$100 of insurable income from the current \$2.70. With our colleagues in finance, we will continue to push for the fair treatment of Ontario on this issue, as have governments before us.

The third example of inequitable treatment is federal funding to the provinces for health, social services and post-secondary education. Ontario does not receive a fair share of federal funds under the Canada health and social transfer. This transfer helps to pay for health and post-secondary education programs delivered by provinces. Ontario's per capita CHST cash transfer is the lowest of all provinces except for Alberta. Ontario's cash transfer is about \$352 per capita, compared to the average cash transfer for all provinces of about \$409 per capita.

In 1998-99, if Ontario were to receive the same per capita allocation of CHST cash funding as the average allocation for all Canadians, Ontarians would get about \$657 million more in federal funding than they now receive. This is just on the CHST. It's a big loss to the people of Ontario. Residents of Ontario are simply out of pocket for this amount and the Ontario government is hard-pressed to make up the shortfall.

The amounts of federal money denied to Ontarians in funding for training and jobs services, EI benefits and CHST are considerable, but just as important as the money is the principle of fairness. When the principles

underlying our fiscal arrangements are undermined, we risk undermining public support for the system itself and for our country and the way it works, or doesn't work.

Let me reiterate: We support the principle of equalization, the traditional means for helping the poorer provinces. We support that. The equalization program provides funds to seven of the 10 provinces to allow them to offer services reasonably comparable to those enjoyed by people in a wealthier province like Ontario. Our point is that the federal programs — and I underline — outside of the equalization program should treat all provinces equitably. Let me be very clear on this point: Ontario supports that the principle of equalization is not in question, but let's also preserve the principle of equity in other federal programs.

Rebalancing the social union: I'm stressing these points because these are concerns to all of the provinces, whether they are net receivers or net contributors. These are some of the reasons the people in our country are concerned about the need not only to rebalance our social union but to have a better way of communicating and a better process for concluding the improvements that must be made.

Over the past three years, premiers have led the effort to rethink federal and provincial roles and responsibilities in the area of social policy. At the 1995 annual premiers' conference, the first one I attended with our Premier, the premiers agreed on the need to improve federal-provincial co-operation in managing social policy programs and also agreed on the need for provinces to take a leadership role with respect to matters within areas of provincial jurisdiction. To this end, they established the Ministerial Council on Social Policy Reform and Renewal and directed it to explore ways to reform social policy.

The frustration was that we were attending meeting after meeting and we had to find a way to solve the problem. I think any representative of the Ontario government at that time would have entered into some kind of a new process to find a solution, and this is what this is all about.

In December 1995, just a few months later, this ministerial council issued a consensus report representing nine provincial governments; Quebec did not participate on the council. The premiers discussed the report at the first ministers' conference in June 1996. Progress was made on one proposal in the report: the establishment of a national child benefit, an idea which originated at the provincial level. Aside from this, however, the federal government did not actively engage the proposals made in the report, which of course were passed on by the premiers to the Prime Minister at the time.

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At the 1996 annual premiers' conference, premiers continued their discussion of these issues and released a document entitled *Issues Paper on Social Policy Reform and Renewal — Next Step*. From Ontario's perspective, the most important recommendations were as follows:

(1) The need to develop mechanisms to reform the management of the social union in Canada, including a

federal-provincial review of new approaches to the use of the federal spending power. All of us together need to do this; not one over the other, but the provinces, territories and the federal government.

(2) The need to develop a joint federal-provincial administrative mechanism for interpreting the Canada Health Act.

(3) A reform of fiscal federalism.

That was in the summer of 1996.

At the 1997 annual premiers' conference, all premiers agreed on the need to negotiate a framework agreement with the federal government on how social policy responsibilities could be clarified. The objective is to get the federal government and the provinces working together co-operatively on these important questions.

As a result of Ontario's leadership in the development of the options paper on the new social union:

(1) The premiers agreed that the Council on Social Policy Renewal should negotiate with the federal government a broad framework agreement on the social union to address issues such as common principles, the use of the federal spending power and new ways to manage and resolve disagreements.

(2) The premiers agreed that interprovincial/territorial co-operation and leadership in social policy renewal should be continued by developing a broad provincial-territorial framework agreement to guide national social policy renewal. Areas to be examined are mobility, portability, comparability, common principles, outcome goals and processes for resolving disagreements, with special agreements in priority areas within sectors such as education or health.

(3) The premiers also agreed that the finance ministers should negotiate ways in which provinces and the federal government can work more co-operatively on how Ottawa spends on social policy. Finance ministers have been directed to begin early negotiations with the federal government on renewing Canada's existing financial arrangements in parallel with federal-provincial discussions on the social union.

(4) The premiers recognized that coordinating the redesign of financial arrangements with social policy renewal will require addressing provincial differences in the ability to raise revenues and ensure that individuals are treated as fairly as possible no matter where they reside in Canada. The solution isn't simple, but as long as we all know and all recognize that addressing provincial differences in the ability to raise revenues is important to all of us, then that means the solution isn't going to be a simple one, but it must occur.

Overall, the 1997 premiers' conference was a major success for our province because we achieved a solid provincial consensus on practical steps to create a more efficient and effective federation. The work first undertaken in 1995 was successfully advanced.

We actually do think that our responsibility as provinces and territories is to come together as much as we can and do our own homework and then work with the federal government to get at least something done before

we present our recommendations; otherwise we'd never solve our problems as a country, and that has definitely been proven in the past.

At the 1997 first ministers' meeting held December 12, 1997, in Ottawa, first ministers, excluding Premier Bouchard, gave the Ministerial Council on Social Policy Renewal a clear mandate to negotiate a framework agreement on the social union. All provinces and territories are currently engaged in negotiation on this agreement. Federal-provincial territorial ministers responsible for the framework negotiations have been meeting since March of this year. Federal Justice Minister Anne McLellan is the lead federal minister on framework agreement negotiations. The provincial co-chair with Minister McLellan is Saskatchewan Intergovernmental Affairs Minister Bemy Wiens.

The goal of these negotiations is to find more effective ways of working together to improve social programs to make sure they meet the needs of Canadians no matter where they live. Ontario is committed to these negotiations, as a framework agreement on social union will strengthen the federation, the country.

At this year's APC, the premiers reconfirmed their commitment to the social union negotiations and Premier Bouchard joined the provincial-territorial consensus position so that Quebec now has a seat at the negotiating table. The premiers unanimously agreed on a negotiating position concerning the future of social programs. The Quebec government formally joined the existing consensus of nine provinces and two territories. The premiers welcomed the federal government's renewed commitment to reaching an agreement and noted that the stated provincial and federal proposals share many common objectives.

The premiers also underlined the importance of certain aspects of the position they have adopted, including collaborative arrangements on federal standing in areas of provincial jurisdiction, a fair dispute resolution mechanism and the ability to opt out of any new or modified Canada-wide programs.

The premiers also emphasized the importance of renewing fiscal arrangements to sustain social programs and they instructed their ministers to push ahead on negotiations with the federal minister responsible with a view to concluding a framework agreement on Canada's social union by the end of the year.

Mr Chair, I have further remarks, which may be appropriate at another time, with regard to the outcomes of the 1998 annual premiers' conference; a few remarks on national unity and the position we've taken as a province; a fair bit on the Calgary framework and Ontario Speaks, which we all participated in together — a fair bit, I'd say, a couple of pages; and then a short conclusion. It's up to you how you would like me to handle it, or not handle it.

**The Chair:** Minister, you have the option on the half-hour of return commentary. You can use that for questions, you can use it to complete your remarks, whatever is appropriate. I'll now turn to the official opposition. You have half an hour.



**Ms Castrilli:** Mr Chair, if it's in order, I'd like to move unanimous consent to allow the minister to finish.

**The Chair:** Agreed? Agreed.

**Hon Mrs Cunningham:** Thank you for that. I'm certainly willing to —

**Mr Wildman:** It's not as if we're pressed for time.

**Hon Mrs Cunningham:** I think your name's in here about eight times, but it takes up a lot of time to say it.

**Ms Castrilli:** "Castrilli" is longer.

**Hon Mrs Cunningham:** Yours is in nine.

**The Chair:** Please proceed, Minister.

**Hon Mrs Cunningham:** These are the other outcomes of actually the 1998, the more recent, annual premiers' conference.

Ontario has a strong commitment to engaging in a process of constructive discussion and negotiation with the federal government. Over the past two years, Premier Harris has played a leadership role in the area of rethinking how the federation operates, with a special emphasis on social policy.

At the 1998 annual premiers' conference in Saskatoon, Saskatchewan, premiers discussed a number of important issues, and Ontario can consider the outcomes a resounding success. Progress was made on such items as compensation for hepatitis C victims, employment insurance reform, the negotiations on a framework agreement on the social union, health care funding, and jobs and economic growth.

Premiers were able to forge a high degree of consensus on issues that had traditionally divided them. Provinces will pursue negotiations with the federal government from a position of unity and strength and hopefully best recommendations.

Ontario played a strong role in building and maintaining the provincial consensus on a number of issues.

The first one was that premiers unanimously agreed that the existing federal-provincial proposal for compensating victims of hepatitis C infected through the Canadian blood system was inadequate and that they will ask the Prime Minister to direct the federal health minister to work with provincial ministers to arrive at a fair, appropriate and timely resolution of the compensation issue.

Second, the premiers unanimously agree to call on the federal government to reduce employment insurance premiums to previous levels and eliminate them for youth. Ontario has been a leader in this regard and now all provinces and territories support the call to create jobs by reducing EI premiums.

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Third, premiers agreed that the top priority of Canadians is to maintain and enhance a high quality, universal care system that respects the principles of the Canada Health Act. To accomplish that goal, premiers agreed that the federal government must restore the cuts of over \$6 billion that it has made to the Canada health and social transfer. Premiers committed to directing additional federal support to core health services. Most of that number, the \$6 billion, is health. That's a very big

reduction for all of us in Ontario, and it only really means the taxpayers here are having to put more money forward to get the right kind of dollars into our health care system.

I noticed today that the minister in the House mentioned it was over \$2 billion. That is a year. In fact, it's almost \$3 billion a year.

National unity: All of these practical changes to the way the federation works, I feel, most of us are convinced will work to help to strengthen national unity. Indeed, Premier Harris has characterized this as 80% of the solution to the issue of national unity. The other 20% of the solution to the issue of national unity involves the symbolic dimension of the federation. I think the first coining of that 80%-20% solution was basically by Premier Romanow in Saskatchewan, who brought that forward. He made a very clear distinction to his colleagues, who all are using that formula as a solution to the national unity of our country.

This includes a recognition of equality and an embracing of diversity. It also involves a recognition of the unique character of Quebec society. The Calgary framework was a response to this symbolic dimension of Canadian federalism. As you know, my colleagues from the NDP, with the leadership of Bud Wildman, and from the Liberal Party, with the leadership of Annamarie Castrilli, worked long, hard hours to put forward a plan to consult with the people of Ontario, and I personally will always be appreciative of their support and their hard work.

We know there was a lot of work that went into the Calgary framework and the Ontario Speaks process, which all parties were involved in. Of course, Ontario Speaks flowed out of that framework, which eventually resulted in the adoption of a resolution in the Ontario Legislature on May 26 of this year. I probably won't speak to that in any kind of detail, but some of us did live through it and it was a positive resolution for the Legislative Assembly.

On September 14, 1997, the nine premiers and two territorial leaders met to discuss the future of the Canadian federation. Many of you know about that. At this meeting, the 11 leaders signed a framework for public discussion on ways to strengthen Canada. This seven-point framework became known as the Calgary framework, and the 11 leaders all committed to a process of public consultation on a framework in each of their respective jurisdictions. They agreed that the consultations would be open to all of the people in each province and territory except Quebec. They agreed that efforts should be made to find creative ways of engaging Canadians in each provincial consultation process. They agreed that governments should act as catalysts for the process, show leadership. They agreed that the advantage of a co-ordinated time-frame was recognized, and they also agreed that each province was free to decide on the range and scope of the consultations.

In Ontario, Premier Harris met with the Liberal leader, Dalton McGuinty, and the NDP leader, Howard Hampton, and they agreed to establish an all-party coordinating



committee to run non-partisan public consultations entitled *Ontario Speaks: A Dialogue on Canadian Unity*. I was appointed the chair of the coordinating committee. Annamarie Castrilli and Bud Wildman, as I've already stated, represented their parties respectively.

There was a consultation secretariat established at the Ministry of Intergovernmental Affairs in November 1997 to support the work of the coordinating committee. We did receive additional one-time funding of \$1.252 million to fund the consultations. All of the additional funding was spent in the fiscal year 1997-98, and upon the completion of consultations, we released the summary report on the results of our consultations and introduced a resolution in the Legislature which reflected the outcome of the consultations.

The primary objective of the Calgary framework for Ontario and the provinces was to identify an expression of the strength and diversity of Canada that reconciles the need for Quebec recognition with the deep-seated value Canadians place on equality.

**Objectives:** The key objectives of the Ontario Speaks consultation process were, first, to measure the public support for the Calgary framework in Ontario. In particular, Ontario was interested in support for the recognition of Quebec and support for the renewal of the federation as expressed in point seven of the framework. Another key objective was to fulfil an all-party agreement to hold non-partisan consultations. Another objective was to provide everyone in Ontario with the opportunity to participate in the consultations. The last objective, obviously, was to pass a legislative resolution reflecting Ontarians' view of the Calgary framework.

**Achievements:** The public consultation on *Ontario Speaks: A Dialogue on Canadian Unity* ran between November 12, 1997 — so very timely; at this very moment we were just getting started — and March 15, 1998, and was one of the broadest public consultations ever undertaken in Ontario.

The consultation secretariat worked hard to achieve the objective of providing extensive opportunities for Ontarians to participate in the process. The communications activities included a mail-back brochure sent to 4.1 million homes, bilingual toll-free phone and fax lines, advertisements in all daily and weekly newspapers in Ontario, a bilingual Web site, over 65 public meetings involving 80 MPPs, the development of a school curriculum unit sent to over 3,000 schools in Ontario, a public opinion poll conducted in March 1998, a public display in the Macdonald Block lobby, and many, many speaking engagements for all of us concerned.

Approximately 75,000 people participated in the consultations. This rate of participation is similar to that of other provinces. Some 65,000 questionnaires were completed, representing 1.6% of Ontario households. There were 6,500 phone calls or faxes made to the toll-free lines, and 35,000 hits made at the Web site. Some 2,000 people participated in public meetings, 300 written submissions were made, and 1,000 people participated in a public opinion poll.

**Key findings from the questionnaires and polling:** Over 84% of respondents to the questionnaire agreed with the approach to strengthening Canada proposed in the Calgary framework; 76% of participants agreed with the acknowledgement of the diversity of Canada as described in the framework; 89% of participants agreed that if any future constitutional amendments give additional powers to one province, these powers must be available to all provinces. Polling data from March 1998 show that support is also strong for individual points in the framework. In particular, 95% of Ontarians agreed that, "Canadians want their governments to work co-operatively and with flexibility to ensure the efficiency and effectiveness of the federation."

The evaluation: *Ontario Speaks* was a success for all political parties and for the people of Ontario. The Ministry of Intergovernmental Affairs was able to facilitate the work of the all-party coordinating team, which culminated in a resolution on May 26, 1998. It was passed by an overwhelming majority of 89 to 1 in the Legislature. Every province and territory except Quebec has completed consultations on the Calgary framework and passed legislative resolutions supporting the framework.

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The key findings from the consultations, both in Ontario and nationally, were positive. Results showed a high level of support for the Calgary framework in general, as well as a high level of support for the individual points of the framework. The people of Ontario value the diversity of our great country, as well as the equality of our citizens.

Having successfully completed the Calgary framework initiative, it is important to focus on practical administrative changes to renew the federation. Our priority at this time is to find ways to clarify the roles and responsibilities of the federal and provincial governments. We believe that achieving some successes in this area is an important first step in strengthening the federation and improving, and I underline this, health care and social programs for Canadians.

In conclusion, I'd like to say that I'm personally optimistic about Canada's future and Ontario's role in that future. My most positive and sometimes very enthusiastic experience with colleagues from across the country over the last three years has certainly bolstered my optimism. Ontario is playing a constructive role in Canada in providing leadership by working with other governments to make practical improvements to our federation and to ensure that all Canadians are treated equitably.

If we tackle these challenges together, I'm convinced that Canada will continue to be in the forefront of successful nations in the 21st century.

**The Chair:** We'll now turn to Ms Castrilli from the official opposition.

**Ms Castrilli:** Let me say at the outset how much we in the opposition always welcome the opportunity to have a minister before us and the opportunity to review a ministry's operations, programs, budgets, objectives and

plans for the future. But I'd be less than honest if I didn't say I wonder why we're doing that in this case. The reason I say that is that I happen to have brought with me the estimates statements that the minister made last year before this committee, and I was reading right along as the minister was making her speech here. There are a few updates, but essentially there has been very little that's new in the activities of this ministry.

I want to ask the minister a question, and I hope she can give me the answer. We could have dispensed with the particular objectives and plans and budgets of this ministry in fairly short order. Why did your government feel it necessary to allot 15 hours for discussion of your ministry?

**Hon Mrs Cunningham:** I actually don't agree that it would have been appropriate to dispense. You're quite right that there are updates, but there wouldn't have been anything that I could have said at this time last year about the Calgary framework, because at that particular time we were just embarking on it. So I haven't made any official report on the Calgary framework and the work that we were all involved in. As you can remember, that's a very time-consuming process for the ministry and there was a fairly large budget attached to it, but more importantly I think it's important for the country. I think every province and territory across this country is very concerned about the fragility of Canada, for want of a better word.

The objectives were, let's make things better where we can through incremental changes to the everyday way that the country works and the frustrations of provinces, and sometimes of the federal government. I haven't mentioned a lot about the federal government in this regard but there will be times, I'm sure, during the questions where we can share their frustrations, because every penny that is spent of the taxpayers' dollars should be spent in results. This is about results.

It may seem that not a lot has taken place, but most of the meetings that I refer to have very extensive agendas on very important issues. I didn't go into those kind of details; we could if you would like to. But we had to start somewhere, and as you can see, since we met last year a lot of work has taken place on trying to improve the way the country works. So you might think there is very little new. I could have chosen other areas, I suppose, but for me personally, as a minister, this was the most important thing that we accomplished together.

I think the Ministry of Intergovernmental Affairs is about that, not only on national unity but in other areas, in making sure that our own ministries work well together and that we get rid of the overlap and duplication, that we have objectives that we put forward in the best interests of the people we represent. I think this has historically been a ministry that has advised other ministries on how they can do their work more effectively and efficiently with the other provinces and territories and with the federal government. I don't think our role has changed a lot, but I would say, given the last three or four years where things have really gotten out of whack, and certainly since the Second World War — and we went into this last time —

the federal government in fact has intruded into the delivery of programs that are within the jurisdiction of the provinces.

I suppose there was a time, and I say this to myself when I'm asked these questions in public, when it wasn't that important, but it's important for two reasons. This really came to light, I think, at the beginning of the time of David Peterson and became a very much bigger problem at the time that Bob Rae held this portfolio, in that the people of Ontario don't have the same opportunities with regard to the amount of money that they give the federal government, in trust and in good faith, with a formula that is very difficult for the people of Ontario to understand.

I think the piece that really made it very apparent to me that we have some difficulties — it isn't only in the roles and responsibilities and more effective and efficient programs, which is what we're all about as elected representatives. It's in the absolute waste of billions of dollars in two ways: overlap and duplication.

I'm getting ready for a panel discussion soon, and I was looking at the work that the government of Alberta had done with the University of Alberta in Edmonton. They had taken each ministry and looked at the overlap and duplication between the two orders of government, and they resolved that there was a waste in potential services to people of \$7 billion. These are the kinds of numbers that absolutely shock people when you think of the kind of money that, number one, we could be putting into front-line services if that's what's necessary, but more importantly, they may be taxes that we don't have to collect in the first place. So this has become a bigger problem.

**Ms Castrilli:** I know we have all the time in the world to discuss this and other issues —

**Hon Mrs Cunningham:** But you asked me a question, and I'm just saying —

**Ms Castrilli:** I understand that, but surely it's a question of priority. It was your government that decided we should have 15 hours on this ministry. I'm looking at the report by this committee pursuant to standing order 59, which sets out the selections.

Your ministry, with 39 people, \$4.5 million, has essentially presented nothing new here today, with the exception of some updates that we'll get into a little later on. At the other end of the spectrum, we're looking at the Ministry of Health, which only gets nine hours; the Ministry of Education and Training, half of what this ministry is getting; the Office of the Premier, one half; and then Comsoc, only one half. With all of the issues, the huge budgets, the concerns, the programs that need to be dealt with, they get a fraction of the time that this committee is getting with this particular ministry. Then there are ministries that aren't on at all.

How many times have we stood up in the Legislature and said we've got backlogs in the courts, there are alleged criminals who are going free, we have judges who are in revolt saying there are serious crises in the judicial system, we have women and children who are not getting the money that's due them under family support, we have



legal aid that's in crisis? None of those issues are before this committee at all.

So the question then again is, what's the rationale for allotting 15 hours to a ministry which virtually — forgive me for saying it, because I believe, like you, that national unity is important and intergovernmental affairs are important. But what you've presented here today, quite frankly, is not of the magnitude of the issues that we need to deal with in regard to other ministries. What's the rationale? I have to ask the question that my colleague from the NDP asked: Is it just a question of filling up time so the opposition will not deal with real issues and the government is ducking the real question?

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**Hon Mrs Cunningham:** I would suggest that these kinds of questions have been asked for the 10 years I've been in the Legislative Assembly, and certainly much, much longer, since Mr Wildman has been in the Legislative Assembly. Maybe if this isn't a good process you should all take a look at it and decide how to do it in a different way because it's not a new question. It's the kind of question that has been asked by government, by opposition parties to government, and I might say I asked the same question myself.

I personally think this is an important ministry and if we're talking about how money is spent across the ministries within the government, and if we can have a better working relationship with other provinces so that we get rid of barriers and work together to use each other's best practice models, I think that those are the kind of questions you should be asking. It's important that this be highlighted to the public in some way, that it is important to the success of our delivery of health care and education.

I also think that the federal government should be taking this very seriously. Any federal government, I might add, should be taking this very seriously, regardless of political stripe, because we're wasting the taxpayers' money by not addressing the problem. If you happen to want to talk about the specific programs themselves and social services or the specific programs themselves and health, there's probably another arena where you're going to have to address it because, obviously, collectively, it goes on and on and on like this. It's not that I haven't been in your shoes, but I actually don't think this ministry has had this opportunity very often. I would bow to Mr Wildman on that, but I don't remember.

**Ms Castrilli:** I think we had it about the same time last year.

**Hon Mrs Cunningham:** No, I'm not saying this time last year. I'm just saying in my time I'm not sure that we have looked at the work of the Ministry of Intergovernmental Affairs, and maybe that's one of the great problems. If we had looked at it properly, maybe we wouldn't be in this mess with regard to people who are paying taxes right now. Employment insurance is a payroll tax. That's what we do. You can put into an insurance fund whatever you want and I don't think anybody, very few people in this province, understands that every time they put money

into that fund they're putting twice as much as is necessary, and you and I, all of us, are responsible to solve these problems.

I can understand your question; I've been in your shoes too. But I don't believe, and you can correct me if I'm wrong, that we have had estimates of the Ministry of Intergovernmental Affairs during the time of the NDP government — we can look into it — and I certainly know we didn't during the time of the Liberal government. So what makes it wrong to do it?

**Ms Castrilli:** The issue is not whether intergovernmental affairs should be before this committee; the issue is the quantum of time allotted to this particular ministry as opposed to others. I've got to tell you, Chair, when I go around in my neighbourhood and knock on doors, people talk to me about health, education, downloading, justice. Nobody mentions intergovernmental affairs. It's not to say it's not important, but if you're really interested in the citizens and delivery of services to the citizens, I would say to you that some different choices could have been made by the government to give that kind of accountability to citizens that you talked about.

**Mr Terence H. Young (Halton Centre):** They don't raise it because it's very complex.

**Ms Castrilli:** I would like to say to the member opposite that he'll have his half-hour and I would ask him not to intrude on ours.

I've made my point, Minister, and I understand you can't be faulted for the selections that are before this committee, but I think it's important to state for the record that there are many issues that could have been raised and will not get the look that they deserve from this committee.

Let me ask you some questions about what you have presented today, particularly on the issues which you've updated for us. I'd like to start with the last issue that you raised, the issue of the Calgary resolution, and the spinoffs, what we can expect from that. You may recall that we had some extensive discussions during the work that led up to the presentation of the resolution in the House and it's fair to say that those discussions are reflected in the report that was signed off on by all three parties.

For the benefit of those who weren't members of that working group, as Mr Wildman, the minister and I were, I will attest to what the minister said, that it was a long and arduous process. We worked co-operatively together to come to a report which reflected a diversity of opinions with respect to a lot of subjects. We may not necessarily agree as to the quantum of the consultation, I must say. That's where I probably differ with the minister. I don't believe this was the widest consultation of Ontarians ever undertaken. I would have to say there have been some previous examples of something which was much more broad and constructive. But I'd like to ask you specifically about a number of issues that we raised in the report and wondered what, if anything, is being done about them.

One of the issues you've raised is the issue of a constitutional consultation. You remember that the three points that were left hanging after we presented the report

were, first, the issue of French rights in Ontario, the minority rights; second, the Constitutional consultation, which you dealt with in part, that is, if we go to a new constitutional round, there has to be a solid consultation in Ontario; third, the issues that were raised by the aboriginal peoples, because there were some difficulties with the way the resolution was framed. Franco-Ontarian rights, minority rights were really not there; the aboriginal peoples felt excluded. There was a slight amendment of the resolution, but I don't think that went very far, with respect to the aboriginal peoples, to allay some of their fears.

I wonder if you might speak to those three points. What is being done? What has been done? What do you think will happen?

**Hon Mrs Cunningham:** Do you mind just telling me exactly how you want me to speak to them? Do you want me to talk about how they were or were not involved in the process, or do you want me to talk — I'm now talking about the aboriginal peoples.

**Ms Castrilli:** I'd like to know, with respect to those three issues, what has happened since the Calgary resolution was adopted in this Legislature. I think we're all clear on what the process was and why we got the resolution that we did. We don't need to revisit that, unless you think there's something in it that's pertinent. But I really would like to know what has been done to address those concerns with the federal government and with the groups themselves.

**Hon Mrs Cunningham:** I'm not sure I'm clear, so if I get on the wrong track, feel free to correct me, because I do want to answer your question.

**Ms Castrilli:** Let me be more specific. There was a real issue around French minority rights. You may remember that Franco-Ontarians did not feel that their rights were protected in that resolution. There was a real issue with respect to the aboriginal peoples. They really felt that their concerns, particularly around sovereignty, were not respected in the resolution. There was also some real concern by a number of Ontarians, expressed at public meetings, that said: "We don't think this is real consultation. If we go to real constitutional change, we want something more than we've had this time and we want a commitment from the government on that point."

Those were the three points that were left hanging in our report, and I wonder if you might tell us where we are now.

**Hon Mrs Cunningham:** I'll give it an effort. I think after Calgary the effort has been on the 80% solution. Just to speak about the second point I think you made, the new constitutional round, and then I'll talk about the other two, it has certainly been the statement made by all premiers and territorial leaders that, until we have a government in Quebec that is interested in working with the other provinces and territories and federal government to improve the effectiveness and the efficiency of the federation as well as to make any constitutional changes, until we have a government in Quebec that's interested in working for a better Canada, it has pretty well been stated that there won't be any constitutional changes. There's nobody look-

ing for that. That was the 20% of the solution, so that's been set aside for the moment. We're certainly on the eve of a very important time in the history of our country.

**Ms Castrilli:** Could I just follow up on that? You're not saying that those have been set aside, but that the commitment to have broad consultations has been set aside.

**Hon Mrs Cunningham:** For constitutional change?

**Ms Castrilli:** Yes.

1650

**Hon Mrs Cunningham:** I don't know how premiers and the Prime Minister at the time will deal with that, but I do know that the people of Canada will never be satisfied again with decisions being made by men in suits behind closed doors. It's that simple. All of us, when we knock on doors, know that the public will want a different kind of process.

Although you stated that this hasn't been the most inclusive process, I would ask you to table a better one. I certainly was involved as part of the select committee on Meech, not as a permanent member but certainly as a substitute member from time to time on Charlottetown. Perhaps that might have been the reason we didn't need the intergovernmental affairs people even then at another committee, because many of us worked for a very long time to get out and reach as many people as we could.

**Ms Castrilli:** I was involved with all three ministers and I've got to tell you, the other two that you mentioned were far more consultative than the process that we went through in the past.

**Hon Mrs Cunningham:** They may have been, but I would suggest there that that was the challenge of the individual elected members of the Legislative Assembly. I can only say that, number-wise, both in the receipt of written reports and materials and the number of people who appeared before committees, which is well documented and we certainly did that as part of our research, the 75,000 people in Ontario far surpassed in any way the numbers we could actually count that were involved in either Meech or Charlottetown. That would be the view of my colleagues across the country of all political stripes. They actually kept those kinds of documentation and results, which are for anybody to look at, as you well know. We have good mechanical ways of doing that now.

To get on to what has happened since, obviously we have been working very hard, as I stated, on the 80% solution. I think last December, when the Prime Minister and the premiers decided together to work towards finding a mechanism so we could achieve some of these changes together, was a historical moment in these recent times for Canada because many of the concerns that the premiers and territorial leaders had are absolutely the concerns of the francophone community.

Certainly the people of Quebec have been more verbal about this piece of the agenda, the day-to-day, practical changes to the Constitution. Some of the achievements that they have, with regard to the unilateral decision-making around the spending power, some agreements with the federal government that are particular to Quebec, are



achievements that other provinces would like to have had the opportunity to discuss. I can only say that all governments want to ensure that the francophone population is participating in any process here in Ontario and that the aboriginal peoples will participate in processes.

At this time, the decision of the federal government, of the Prime Minister and the premiers was that we work hard to come forward with practical changes to the federation and a mechanism to accomplish these changes, whether it be the principles that we all agree to or the roles and responsibilities or new financial arrangements, which haven't been looked at in detail but have been certainly on the public agenda for a very long period of time. Dispute mechanisms were one of the directions that we were given. When the report is made to the federal government and to the premiers, they will have to decide how the public is involved. But that's not a *fait accompli*. That's just the first stage, looking at a better way for the country to work together. Our mandate was to make some kind of report to the first ministers by the end of December of this year.

**Ms Castrilli:** I guess what I'm hearing is that with respect to those three issues that were flagged in the report, really all of them have been shelved for the time being. There may be some other discussion going on, but unless there's a new constitutional round, we're not going to be prepared to deal with them. Is that what I'm hearing? I'm not sure.

**Hon Mrs Cunningham:** The premiers have met with the aboriginal leaders. Some of the concerns of the aboriginal leaders were sent off to sectoral ministers; for instance, the ministers of social and community services. But you are correct in that if we're looking for everyone to be involved in these practical changes, there will be time, your observation that the direction the premiers received and agreed to with the Prime Minister of this country is that we come forward with the best ideas, the best suggestions, which is not easy.

We are talking about a more modern way for the country to work. We're looking at a better way to spend the taxpayers' money, in that communication will be the success story of the next millennium. It isn't appropriate to have unilateral decision-making around the spending power. It's no longer appropriate, I believe, to stay with the same financial arrangements, because we've talked about the changes.

I'm extremely enthusiastic about this opportunity for all of us. Governments will probably change in the next year or two, and I'm hoping that the same commitment I've experienced with the leaders of different political parties representing different provinces and ministers will proceed with the same kind of enthusiasm and determination, because I think it has been a very positive process.

The frustration — and I actually won't use the word "frustration" with regard to your comments, Annamarie — but I think there's always some concern, more so by the media than by the general public, that maybe we're coming to some conclusions behind closed doors. That isn't the case. I think the conclusions behind closed doors in the past were the end result.

Here it's a matter of the Prime Minister basically saying to the ministers, and the premiers saying to the ministers, "You go and do the best you can with each other and with the federal representative, Anne McLellan" — who has been a very enthusiast and welcoming participant in the process, a very good co-chair, I might add, along with Berny Wiens — "just do your best." That's where we're at, because we know it's extremely important to come to some kind of a conclusion so that the general public can be more involved.

There's no secret; it's just so technical. As you've stated yourself, this is a very technical ministry. Those of you who have been involved in the front lines of Meech and Charlottetown will agree that, when you're looking at financial arrangements and whether mechanisms to settle disputes are important to the way the country may work in the future, we don't want anybody, I suppose, to get the wrong message out to the public, because really this is a tremendous effort on behalf of all of us to come up with our best solutions.

**Ms Castrilli:** May I ask whether the issues that were raised in our report on Franco-Ontarian rights and aboriginal rights have been referred here in Ontario to the ministers responsible? Have you consulted with them? What have they told you about what they're prepared to do?

**Hon Mrs Cunningham:** With regard to the kind of individual analysis that may or may not have been done, the number of strategies that were undertaken to ensure that the francophones in Ontario were able and indeed encouraged to participate in the consultation process, as you know, were very sincere. We did make, I think, somewhat of an error in the beginning which we tried, all of us, to rectify in some way. There were approximately 4,500 French-language questionnaires completed, but they were answering the same questions that the rest of us were answering. We haven't done a further analysis of some of those responses individually, except to analyze them within the seven questions.

1700

**Ms Castrilli:** We presented a report that said, "These are issues with Ontarians." I'm assuming the results that were tabulated verified what we said, because that's what we said. I don't know that we need to go behind the document.

My question is very simple: Have the recommendations that were made in that report with respect to those two particular groups been referred to the ministers responsible here in Ontario and what, if anything, have they said they're prepared to do?

**Hon Mrs Cunningham:** I think what happened with the results here in Ontario, as across Canada — they were made available, obviously, to the ministers responsible. Here in Ontario, whether you're talking about — are we now talking just the French?

**Ms Castrilli:** I'm referring specifically to Ontario.

**Hon Mrs Cunningham:** You might refresh my memory as to what you thought one or two of the more important recommendations might have been.

**Ms Castrilli:** I'm referring specifically to the issues dealing with francophone linguistic rights and aboriginal concerns around self-determination. Have those been referred to the ministers here in Ontario?

**Hon Mrs Cunningham:** Yes. The self-determination piece has been a very real part of our discussions, of all the provinces' discussions with the federal government. We have taken the position that the federal government is responsible for the programs and services of native Canadians, both on and off reserve. In the meantime, since the federal government doesn't agree with that in many instances, although they haven't really responded, we find ourselves across this country providing very important programs — health, social service, education programs — to native Canadians, both on and off reserve but especially off reserve.

Here in Ontario we have made a huge commitment to the aboriginal healing and wellness strategy which was started I believe in 1995. We've had a three-year commitment which we are reviewing now. In the absence of some response by the federal government in any way with regard to the dollars that should be spent on these programs, which is the responsibility via the Constitution of the government of Canada, and the whole issue of self-government that rightly lies with — and we certainly made that point, both before and after Ontario Speaks, I might add, to the federal government. That has been a unanimous position of all provinces and territories since I've been involved in these discussion since 1995.

**Ms Castrilli:** This is not your ministry, of course, but you know that in Ontario we've not always taken the position that it's only the federal government's responsibility. I would remind you that a previous government signed an agreement with some native peoples here in Ontario. I'm having trouble understanding that.

My question was not to get into the specifics of self-determination. When we finally tabled a report with respect to the Calgary resolution, there were a couple of recommendations. My question is very simple: Were they referred to the ministers involved, did they take a position on it, and what have they done since? I'm not interested in whether the federal government ought to be doing something in a wellness program, which I think is wonderful. I asked a very precise question: Are the ministers aware and what, if anything, have they discussed with you they're prepared to do?

**Hon Mrs Cunningham:** They are aware of the observations and recommendations that came out of the discussions, obviously. Some of those observations and recommendations have influenced one's thinking as we renew our commitment to the aboriginal healing and wellness strategy, for one. You may not think that's important but it's a huge —

**Ms Castrilli:** It's extremely important, but that wasn't my question.

**Hon Mrs Cunningham:** There are other, smaller programs across ministries that have been affected by the desire of the aboriginal people to have self-government. There have been some efforts, which of course I can't

answer in detail at this meeting, but I would be happy to get them for you. I have been party to the discussions. I'm invited to those meetings. I've met with aboriginal leaders myself on two occasions, along with my colleagues from nine other ministries, and I'm sure the minister responsible for aboriginal affairs, Charles Harnick, would fill me in on any more specific things he's working on, as well as my colleague Noble Villeneuve if you're talking about the francophone population. All of these initiatives by both of those ministers obviously are shared with myself.

I think the big issue for us in this instance — we might say we're not interested in the role of the federal government but the aboriginal people are interested in the role of the federal government and sooner or later —

**Ms Castrilli:** You're misunderstanding. I didn't say we're not interested in it, I just said that's not my question. I asked a very different question.

**The Chair:** I'm sorry to interrupt the exchange. I let that go on in the hope that it could be concluded.

**Ms Castrilli:** Chair, could I take the minister up on — I don't know if other members of the committee are interested in the information she has offered to provide, but I would be very interested to see if there is anything with respect to aboriginal rights and French-language rights.

**Hon Mrs Cunningham:** An update.

**Ms Castrilli:** Yes.

**The Chair:** Mr Wildman, it's now your turn. You have 30 minutes.

**Mr Wildman:** As I listened to the exchange, and I won't belabour this point, I was reminded of a joke my grandfather once told me that apparently had some basis in fact about an elderly and well-respected history professor at Queen's University who seemed to most of the young students to be quite ancient. He used to come into his classes with a very small booklet of notes, very brittle yellow paper, and he would lecture. He was apparently well known for expecting his views on the history of Greece, I think it was, to be regurgitated on examinations. So most students took copious notes and wrote madly as they listened to these lectures except for one young man who sat in the very front and didn't take any notes at all. After the first few weeks of the semester the professor stopped and said, "Mr Smith, you don't find what I have to say interesting?" He said, "Oh no, sir, I find it very interesting." The professor said, "But you don't find it necessary to take any notes?" He said, "Oh no, sir, I don't have to take notes." The professor said, "Could you explain why not?" He said, "Because I have my father's notes."

I was reminded of that joke as I listened to your presentation because it did remind me of what I had heard the previous year.

I would like to raise a couple of points, because I did take notes, in the context of what you presented to the committee and updates of last year's presentation and the comments of my friend from the Liberal Party. I certainly support your view that Ontario must play a constructive role in Confederation and must find practical and common



sense approaches to changes in the federation, but I have some specific questions.

There are 39 people in your ministry, which you've indicated is a 40% cut since 1995-96, despite the fact that we were going through what you characterized as a major consultation around the Calgary framework. The total budget is \$4.5 million, which you indicated is a 19% decrease since 1995-96. I would be interested in finding out just as a matter of information how this compares with Quebec's efforts in Ontario. I wouldn't even ask you about Quebec's efforts with regard to other governments, whether they be in Ottawa or France or the US or whatever; I'm just interested in knowing how many staff are in the office of the Quebec government here in Toronto. How does that compare with the total number of staff you have in your ministry? I note that you have two staff people in your Quebec City office. I suspect the Quebec office in Toronto has considerably more than that. I'll just put these out and you can perhaps respond after I'm finished.

1710

Obviously, all of us are interested in a strong, united Canada, and I appreciate the fact that both my friend from the Liberal Party, Ms Castrilli, and myself were asked by the minister to participate in the attempt to have a consultation around the Calgary framework. I would say as a sidebar, though, I do regret that this government has apparently chosen not to follow the example of every other government I can remember in my time in this place in that the Davis government, the Peterson government, the Rae government, all of them regularly invited one or two members of the opposition to attend as observers at inter-provincial meetings. I thought that was useful. Frankly, the input that we received from Charles Beer, who was the observer in the meetings that I was privileged to participate in as a member of the executive council for this province, and Ernie Eves usually and sometimes Norm Sterling for the Conservative Party, was useful and was certainly advisory. They understood it was in that vein, but it was useful. I was privileged to be invited by the Honourable Tom Wells to participate as an observer in meetings in Ottawa in the early 1980s convened by the then Prime Minister, Mr Trudeau, and I appreciated the opportunity at the time.

In terms of the rebalancing of the social union, I must say I agree completely with your view vis-à-vis equalization. All parties in Ontario support the concept and the principle of equalization and understand that we must, as a well-off province compared to other provinces, along with Alberta and British Columbia, contribute to equalizing the resources to provide services for Canadians in other provinces. All of us support that. I agree completely with your view, which is in line with the position taken by the NDP government when we were in government in Ontario, that equalization should not be implicit in other transfer-of-payment programs. This started under the Mulroney government and it has been continued under the Chrétien government, and it is very unfair to Ontario. You pointed to training and so on.

I want to raise some disagreement, though, over the EI situation. I certainly agree with all of the provinces' view that the federal government, Mr Martin, should not be able to use the \$19 billion as a way of balancing the budget, because this is an insurance program and it should be used as an insurance program. Where I have differences with the position taken by this government and other governments across Canada is that I don't believe this money should be turned back to the employers and employees who have paid into it.

I don't see the \$19 billion as a surplus. This so-called surplus has resulted from cutting benefits and making it harder for people to collect. The fact is that one third of the people who are unemployed in this country can't collect unemployment insurance thanks to the changes that have been brought about by Mr Martin and the Conservative government before him. In our view, that money should be used to improve benefits and ensure that those people who are unemployed get unemployment insurance. I don't see it as a surplus.

I don't think it should be turned back as a disguised tax reduction, any more than it should be a tax increase if it's going to be transferred to cut the federal deficit. Those monies were paid into it as an insurance plan, and those people who have unfortunately become unemployed should be able to collect the unemployment insurance. Benefits should be improved, and the people who are being denied benefits because of the restrictions on the eligibility that the minister complained of in Ontario, for instance, should be able to collect.

That's what we should be doing with the money. It shouldn't be used to cut the federal deficit, and neither should it be used to cut payroll taxes, but rather it should be used to benefit those people who need it. I wish this government were taking that position, and I wish that position were being expressed vehemently to the federal government.

A lot of what we've had discussed about the future of Canada and the federation, unfortunately — and I say that advisedly — relates to the outcome of the current provincial election in Quebec. I wish elections in Quebec were not always fought on the future of our nation, but I think that's inevitable, so I guess it's just wishing in the wind. I regret the intervention of the Prime Minister at the beginning of the campaign, or just before the campaign was called. It was most ill-advised. I wonder what the minister's view is about Mr Chrétien's comments that constitutional change is very unlikely and that the aspirations of Quebec, that 20% of the 80-20 split, are not likely to be met, or, in his view, perhaps have already been met. That certainly isn't the view of any politician in Quebec, separatist or federalist.

If we're interested in rebalancing the social union, I must say that I am concerned about the comment that was repeated by the minister here and that has been made by her colleague the Minister of Finance and by the Premier from time to time, that if we don't ensure proper funding for things like health and social services — I use health in particular — and that the transfers are made fair — which

I believe should happen — it may undermine public support for the program. I may be reading too much into that statement, but to me it sounds like a veiled threat, that somehow if Ontario doesn't get the money they deserve — which I agree they do deserve, in transfers from the federal government — Ontario's participation in medicare may end.

I know there are people in Ottawa who are concerned that that's what that statement may mean. I understand from press reports that they are already working on some programs to try to ensure that Ontario and perhaps Alberta do not decide to go it alone with regard to health care and the health care system. I would like a commitment, a flat commitment, from this government that they are in support of the national medicare program and intend to continue the province's participation in that program, and with that, the support for the Canada Health Act.

That brings me to some of the questions that were raised by my colleague from the Liberal Party with regard to those two things that were left hanging from the consultation around the Calgary framework: aboriginal concerns and francophone issues. The minister referred to the aboriginal healing and wellness program that was begun in the late part of our mandate and has been continued under this government. That is a good program, but I am very concerned about this government's approach to it.

1720

I'll give you an example. I just recently received a copy of a letter that was sent by the minister's colleague the minister responsible for long-term care, Mr Jackson, to Sylvia Maracle, the executive director of the Ontario Federation of Indian Friendship Centres, with regard to her concerns about the distribution of long-term-care beds to aboriginals off-reserve in this province as part of the aboriginal healing and wellness strategy, in which he flatly says to her that there is no different approach to the distribution of long-term-care beds for the aboriginal community than there is for the rest of the community, that any proposals, whether they come from the individual Indian friendship centres or other organizations off-reserve, must qualify under the process with the CCACs the same as anybody else.

I don't have it with me, but I could bring you a copy of Mr Jackson's letter. In the correspondence from Ms Maracle — those of us who have the privilege of knowing Ms Maracle know that she says what she thinks — she essentially says that this is a diktat and that she doesn't appreciate it and doesn't think it's a proper way to approach the process.

The problem we have in dealing with your government as it relates to aboriginal communities, and First Nations generally, is that you treat them as just one more group, and they aren't. They are the aboriginal people. They are the indigenous people, who, under our Constitution, whether various people like it or not, have rights that other people in this country do not have. They believe they should be dealt with as a third order of government on a government-to-government basis by this government; they

do not believe they should be treated just like any other group that's applying for long-term-care beds, for instance.

The same goes, as a matter of fact, for the lands for strife process of the Ministry of Natural Resources. Grand Chief Charles Fox of the Nishnawbe-Aski Nation has stated clearly that they have withdrawn from that process because aboriginals' and First Nations' concerns have not been dealt with and that they do not appreciate the fact that they're being dealt with as any other interest, like, for instance, the anglers and hunters, the forest industry, the environmental groups, the tourist industry or whomever, because they aren't. He's quite right. But this government fails to understand that, apparently. You're not going to resolve the questions around aboriginal rights and aboriginal issues in this province until this government recognizes that. It's difficult, I know. But I'd like to know how this government is going to resolve these problems, because they fester.

With regard to the francophone community, which is a very different type of issue but it also relates to the Constitution and the rights of a minority, a significant minority in this province, the Franco-Ontarians, my colleague from Sudbury East raised in the Legislature just today or yesterday the fact that Collège Boréal is without funds because the federal and provincial governments have not renewed the agreement for funding. Each government, this government in Ontario and the federal government, is saying the other one should fund it, instead of both of them sharing it, the way it was before.

Whether it's aboriginals or Franco-Ontarians, for this government simply to say it's the responsibility of the federal government I think plays into the hands of the Péquistes in Quebec. That's certainly not true of the aboriginals, but in terms of the francophone issue. We talked about the Montfort Hospital the last time we were before these estimates; Collège Boréal is the same kind of issue in Quebec.

That also raises a question around something that has been a perennial issue. It's not just an issue related to this government, it has been an issue for all three parties in government, and that is the cross-border labour issue in construction between Ontario and Quebec because of the differences in the way we manage labour qualifications and eligibility for work in various regions of our provinces.

Last week, I heard an interview on the radio involving two mayors, one from Témiscaming, Quebec, and the other from North Bay, both of whom were saying that the fact that people from North Bay could not work in Témiscaming but people from Témiscaming could work in North Bay wasn't fair and didn't make sense. The mayor of Témiscaming was pointing out that the easiest access to his community is through Ontario — there is access through Quebec, but it's much easier through Ontario — and it didn't make sense for someone to have to come all the way from, say, Montreal to go and do construction work in Témiscaming when there might be somebody qualified in North Bay to do the work. I agree. This is a



difficult issue, and I'm not being critical, I just would like to have an update on what has happened in terms of resolving those problems that have been befuddling governments of all political stripes in Ontario.

Just as another matter, in regard to what I was saying about the commitment of this government to the continuation of the national medicare program and the Canada Health Act, I would like to get some further explanation about the commitment of premiers to provide core health services. I would like to find out how we will ever in this country in the future go about making changes to the national medicare program. Whether it's pharmaceutical or long-term care or community care, how would any of these possible programs ever come about in future? Will they only be possible provincially, so if a government in Ontario or British Columbia or Alberta wanted to bring in one of these programs, it could benefit their citizens, but a Canadian citizen living in Newfoundland or Quebec or New Brunswick or Manitoba might not be able to have the benefit of a similar program? So someone moving from Ontario to New Brunswick would not continue to have the benefit of a program that had begun in Ontario once they'd moved to New Brunswick. If this is the case, then it does not bode well for the future of national medicare and ensuring that citizens across this country will have the benefit of similar services; I'm not saying exactly the same, but similar services across the country.

Sometimes we have to determine whether we are Ontarians first or Canadians first. I suppose those people who live in my part of the province have to determine whether they're northerners first, Ontarians first or Canadians first. I suppose I would say I'm a northern Canadian, keeping in mind that everything west of Ontario is farther north than we are. I really think these are important issues, and I'd like to have them dealt with.

1730

The final issue I want to raise doesn't relate to any of these directly. That is a question that was answered by the minister in the House last week in response to the violence against physicians who provide services that some people find objectionable. The minister was asked in the House by one of my colleagues, the member for Riverdale, if she, wearing both hats, as minister responsible for women's issues and Minister of Intergovernmental Affairs, would speak to her colleague the Attorney General, who was going to be attending the meeting of the attorneys general in Canada, justice ministers, about raising the issue of adequate funding and resources for the police efforts to investigate the threats of violence against these physicians and the wounding of a number of physicians in Canada and the murder of a doctor in New York state.

I saw from the press earlier today that the American authorities, the FBI, have identified an individual they wish to talk to about the murder in New York state, and I hope they're successful. I think everyone who thinks about it hopes they're successful. But that still doesn't abrogate the need for adequate funding for the Royal Canadian Mounted Police, provincial police forces and municipal police forces in the coordinated effort across Canada to

investigate individuals and/or groups involved in this intimidation and actual threat of violence against physicians who perform operations with which they disagree. I was appreciative of the fact that the minister immediately said yes, she would speak to the Attorney General about this. I would like to know what success she had and what discussions took place at the interprovincial-federal meeting of attorneys general on this matter.

Chair, how much time do I have left?

**The Chair:** Two more minutes.

**Mr Wildman:** I haven't given you much time to respond to me, so perhaps you'll have to respond the next time we come back to this. But these are the issues I would like to raise.

I do think this is an important ministry. It can and could play a role in coordinating our efforts in a number of areas with line ministries or it can be simply an adjunct to the Premier's office. I hope you're not the latter; I hope you're the former.

**The Chair:** Minister, there are approximately 13 minutes remaining in the time. We had unanimous consent to give you some of the time earlier to finish your statement. There are now 13 minutes for you to respond to the questions that have been put or to use it in any way you see fit.

**Hon Mrs Cunningham:** First of all, I'd certainly like to thank my colleagues for their questions. I attempted to answer, although not all, Annamarie Castrilli's questions. We made a couple of notes to get some responses and if you'll make sure that I get from you the questions that you felt I didn't answer, then I'm happy to bring forward —

**Ms Castrilli:** You have another 13 hours.

**Hon Mrs Cunningham:** I know we've got lots of time, but sometimes if I know ahead of time, it makes better use of the time.

I will proceed with Mr Wildman, if that's appropriate. The first question had to do with the staffing. There is an office in Ontario for the government of Quebec. They have three staff there. But it actually performs, I was interested to learn, a different function. A lot of their functions have to do with taxation because of how they collect taxes differently. I think they're possibly comparable, but I didn't know the answer to that question before you asked it, so I thank you for that. I'm not a bit surprised; I actually thought they would have more people than that.

**Mr Wildman:** I thought they did too, actually.

**Hon Mrs Cunningham:** I think maybe that they've met up with the same kinds of challenges as we did. Do you have anything to add, Mr Deputy?

**Mr Bob Christie:** Only that, as the minister noted, they do have a broader range of function, but to get you specific information on how many people they have at the moment and what those people are doing compared to what our people in Quebec City are doing, we would need to do some follow-up, and we'll do that follow-up.

**The Chair:** Madam Minister, I just want to interrupt for one moment to make a procedural point clear to everyone on the committee. These are the last hearings of

the estimates committee. November 17 occurs while we are on recess and therefore, at the end of this particular session, we will be done with estimates because we're not permitted by our standing orders to meet beyond that point.

**Hon Mrs Cunningham:** So today is it?

**The Chair:** Today is it, for the purposes of —

**Mr Wildman:** Well, I take back everything I said.

**Ms Castrilli:** That's the fastest 15 hours I ever went through.

**The Chair:** I'm sorry. I tried to make that point at the outset but obviously not very successfully. To put the parties on notice, we will ask for unanimous consent for the consideration of these estimates for this ministry at the end of our time today. At the end of the time today, all of the estimates will have deemed to have been done, as our time on the calendar has unfortunately expired. I don't want to interrupt any further.

Minister, I invite you to continue.

**Hon Mrs Cunningham:** These were serious questions today, so I think what would be fair under the circumstances is that we take a look at the Hansards and answer you in writing. I'd be happy actually if we could have our own meeting, one on one, or the three of us together, because there are questions. I'll answer them as fully as I can right now, Bud, because you did have 10 questions. Number one was the Quebec office. Number two was your observation with regard to being invited to the meetings as members of the opposition, and I think that you're probably talking about the Meech and Charlotte-town, but maybe more than that. I'm not aware.

**Mr Wildman:** It goes right back to the Constitutional discussions, Mr Trudeau and the provinces, in the early 1980s. I was an observer at those meetings.

**Hon Mrs Cunningham:** It's interesting, only from my own personal observations, in the meetings that we've had across the country right now we do a lot of it by conference calling. It's extremely expensive for the ministers to come from across the country and everybody is worried about —

**Mr Wildman:** I was talking mainly about the premiers' and Prime Minister's conference.

**Hon Mrs Cunningham:** Premiers? It hasn't been the case and sometimes it's not even the case that there's more than one minister there, even though the topics on the agenda would have to do with other ministers, but I certainly accept your observations. If there's some appropriateness to that, we could consider it, but it has been noted by all of the delegations from across the country that there are very small delegations on behalf of every province compared to what they might have been three or four years ago. I think it's probably the initial real effort of everybody to conserve where we can. But the discussions are important, and I certainly heard you.

The rebalancing and equalization piece: I'm happy that you agreed with regard to our observations on equalization. I can only add for you that this is of great concern, looking at reopening the equalization files as part of the financial arrangements. It would be inappropriate for me not to tell you that at the very first meeting in 1995 when

the maritime provinces were very concerned about our looking at financial arrangements — this is just us together, without talking to the federal government — our Premier basically said that if we have to take a look at the equalization file to reach their concerns around fair share, that is exactly what we would do.

How we get to the end of that is a real challenge, but everybody is in there on good faith, so we'll see, and we may have to count on your good advice in this regard, because as you know, some of the best advice that we get in our ministry is by some of the same advisers that you did use. So if at any time you're wondering what kind of a position we might take, I invite both of you to let us know where you feel we can get our best advice and we'll take advantage of it. As far as I know right now, the best advice we're getting is from some of the best people that you've been able to use in the past.

I'm happy to know that you also agree that anything over equalization, it's not implicit there with the other transfer payments that they be equalized or that they be fair share, and I'm happy that you've agreed with me there. I actually think when I make my statements on EI that you might agree here too. We can see, but again, these are interesting discussions.

You say that the \$19-billion surplus — I don't use that word often myself, I might add — shouldn't be used for balancing the budget, but you certainly agreed that this should not be turned back to the employees and the employers. I haven't really kept up to date with regard to the media, but that has never been the position of any of the provinces that I know of. It's been the position I think of some people in the media but we actually did have —

**Mr Wildman:** It's the position of a number of parties in the federal House too.

**Hon Mrs Cunningham:** Yes. I'm not aware of any other province that has ever suggested that this be turned back. I am aware that the premiers drew this to the attention of the federal government, that they all did agree that there should be the reduction in the premiums that I read into Hansard earlier, that there should be a combination of that. I don't think they have taken a joint position on eligibility, but that has been raised as a very big concern, and I put that in my notes at the very beginning.

I suppose the tax reduction piece is meant to meet the needs and I don't think there is a simple solution in this regard, so I'm certainly interested in your views on this matter. I think what we were trying to do is balance it, only take what we need as far as possible and maybe set up some kind of reserve for the times when we don't raise enough money. There's got to be a better way of doing it than what we have now, but certainly I'm not aware of anybody ever turning back.

I will read to you from Saskatoon in 1998, because some of the other provinces wanted this in the record and we all agreed. Under "Employment insurance, Saskatoon, 7 August, 1998," it says:

"Premiers also agreed that additional benefits for seasonal workers should be provided, the situation of older



workers should be addressed and options for northern relocation assistance be examined."

That's the one part that I didn't read in, but all the premiers call for reduced premiums and the premiers, obviously including our Premier, agreed to focus some attention on this issue. They did reaffirm their call on the federal government, not only to reduce the insurance premiums, but they did say that the premiers agreed that the premiums should be eliminated for youth. I just wanted to verify that. I'll bet you anything that if we look at this, the solution, the end result, we could possibly discuss it, and I welcome you to have that discussion with myself in this regard, because I think you're well qualified to give us good advice. I underlined, "Do not cut the federal deficit." I think you said that, and do —

**Mr Wildman:** I'm not opposed to cutting the federal deficit, just not with this money.

**Hon Mrs Cunningham:** We agree with that. You said, "Do not cut taxes," but I think that if we were to study what the premiers did want and you could see what the end result would be —

**Mr Wildman:** What I meant was that this should not be treated as a payroll tax cut by lowering premiums, but rather, the benefits should be improved. That's basically my disagreement.

**Hon Mrs Cunningham:** They did agree that the premiums should be reduced, "Reduce employment insurance premiums to previous levels," and we went into more detail here, which would be consistent I think with the other premiers. I think we're on the same wavelength here.

I won't respond in any particular way to Mr Chretien's interview, except that I did see him on television last night saying that everybody has a bad couple of weeks or something, so maybe we should always give people the benefit of the doubt.

**Mr Wildman:** It's unfortunate to have one just as the election is called.

**Hon Mrs Cunningham:** Timing is everything, isn't it? I do think that we have to give our leaders the benefit of the doubt whenever we can.

With regard to the health commitment, I should let you know again that this summer in Saskatoon, in August, I actually said, I think in my own introductory remarks, that we are absolutely committed to the principles of the Canada Health Act. I'll read from the statement that the premiers made:

"They reaffirmed their commitment to maintaining and enhancing a high-quality universal health care system for all Canadians. The premiers observed that every government in Canada but one, the federal government, has increased its funding in health care. They expressed concern about unilateral federal cuts to Canada health and social transfers beginning in the 1994-95 fiscal year that now represents more than \$6 billion a year. This is the transfer to provinces which helps support core health care services, post-secondary education and other programs for Canadians. The federal government cut its funding to social programs through the CHST by 33% while at the same time spending on federal programs fell by just 6%."

I think that's an important piece that we all have to know about. They did end up by using a word that you referred to, Mr Wildman, "The premiers are committed to directing additional federal funds to core health services." I think that was your next piece. Unequivocally, the premiers and our Premier have committed themselves to the Canada Health Act.

I wouldn't mind having further informal discussions with either of you with regard to some of the discussions that may be coming up, but it's not specifically on the agenda, because I actually believe when we get into these kinds of discussions at some time that maybe the ministers of health would have a discussion, but perhaps if it's part of the mechanism on the financial arrangements, it would be in the arena that I'm responsible for.

But there's no doubt that Canadians see themselves as living in the best country in the world. What they do identify with, if they have to think about anything else in any other country, is that here the first priority is health care. There's no doubt that we want that to be available to everybody, no matter where they live.

**The Chair:** Minister, on a positive note, I just want to remark that we're at the end of the session. As you know, there won't be a lot to follow, but there is a segment for question and answer for which we'll go to the official opposition. Just before we do that, I wanted to ask that the information you offered to provide to the respective critics be shared with all the members of the committee, if that could be agreed. Then I would invite Ms Castrilli to enter into the question-and-answer session, for which we have approximately 10 minutes.

**Ms Castrilli:** Had I known that the time was so short, I think I would have used my time differently before, I will say that. Because there's so little time, let me simply try and flesh out some of the issues that I think we need to focus on, and you can respond at a later date.

Let me start by saying that I'm of the view that the Ministry of Intergovernmental Affairs ought to play a far greater role than it does and if there's a frustration that you hear from the ranks of the opposition, it's that we think it's largely a symbolic ministry except in moments of crises of one sort or another. We showed how in the past year the ministry had to have a rush of money and a rush of people to be able to do the work that was required at a very critical time.

Intergovernmental affairs is at the heart of what Canada is all about, and I think the Ministry of Intergovernmental Affairs ought to be involved in a very real way in everything that goes on. The questions that I asked you earlier about the outstanding issues coming out of the Calgary resolution work that we did around francophone and native rights point to just that. What I had hoped you'd say to me is: "I understood what people were saying to me through the report and I took a direct action. I went to my colleagues and I demanded that they act on it in one form or another." That's not what we got. That's not what we got and that's what I'd like to see the Ministry of Intergovernmental Affairs do in areas that are very critical. I have highlighted two of them for you, and let me

suggest that there are others where there has to be a stronger presence. If these committee hearings help in making the ministry much more of a focal point, then they're all to the good.

Let me suggest to you that the issue, for instance, of cross-border employment is a festering sore that is simply not going away, and it's an area where I'd like to see the ministry much more involved and I'd like to know what it is that we're doing short of just getting some rhetorical statements from the province of Quebec, and then not actually insisting on the rights that should flow from that.

Let me also say that I'd like to know — my colleague from the NDP mentioned this before, and we went through this last year but not with any great satisfaction — how our activities in Quebec compare to the activities of the Quebec government in Ontario. I think they probably have it right in some way; they are using their Ministry of Intergovernmental Affairs as a very real tool to further their agenda. I'd like to see Ontario use it as a tool to further a co-operative federalism agenda. We're not doing that and I'd like to suggest to you that's something that really should be pushed, and I'd like to see what the figures are right now with respect to that.

You mentioned a number of initiatives, and I'd like to know how close we are to achieving any kind of agreement on job training funding. You mentioned there are some difficulties. I'd really like to know the mechanics of where we are and what needs to be done, if anything.

You gave us a synopsis on the national child benefit, which I believe only went to about August 1997.

**Hon Mrs Cunningham:** No. That's there.

**Ms Castrilli:** What you gave us was 1998? It was unclear to me.

**Hon Mrs Cunningham:** The national child benefit is part of the tax system now. It will be Canada-wide.

**Ms Castrilli:** There are no outstanding issues with respect to that?

**Hon Mrs Cunningham:** Yes, money.

**Ms Castrilli:** We're getting to that. I'd like to know how that \$2.5 billion is to be found.

*Interjection.*

**Ms Castrilli:** Yes, it's a lot of money. The reality is that if the money is not there, then the benefit is non-existent, so I'd like to know what Ontario is doing with respect to that. How much more time do I have?

**The Chair:** Another five minutes, Ms Castrilli.

**Ms Castrilli:** Let me return to a point that's been made before. Part of the reason that you sense this kind of unease with respect to this particular ministry is that it's not a ministry that's front and centre. There are things that happen that catch us by surprise. My colleague Mr Wildman alluded to the fact that there was once a practice of having the representatives from the opposition parties involved. I think that would go a long way to achieving a couple of objectives.

Firstly, it would keep us all on the same wavelength so that we wouldn't get caught by surprise. Secondly, if the objective is to make the Ministry of Intergovernmental Affairs more of a lead ministry, I think you would find that there would be some natural allies on the part of

people in the opposition whose goals are the same, to further national unity, to further national objectives, while maintaining an Ontario presence. I think you'd find some natural allies there which would be very useful to you and to the Premier as well.

When we were working on the Calgary resolution, it was obvious that we did it in a non-partisan fashion, and I think our approach to the Ministry of Intergovernmental Affairs differs from that which is normally taken with other ministries, because what's at stake, while it may not always be visible, like — shall I say it again? — the backlogs in the courts and the other problems that we mentioned before nevertheless fundamentally affect the fabric of this country and the future that we're facing. It's very important to make sure that there is some consistency and ongoing consultation with the opposition.

Let me mention one final point which has been troubling me all along. Some of the positions that are taken by the Ontario government vis-à-vis the federal government have to be weighed very carefully, because so often the positions that are taken are positions that feed the separatists in Quebec, and I don't know whether that's intentional or not. When you talk about decentralization, when you in fact start to dismantle certain programs — I was glad to hear you say that you endorse absolutely the principles of the Canada Health Act — be very careful that what we are saying here in Ontario doesn't fuel separatism. Sometimes it's not done intentionally, sometimes it can be a totally haphazard thing, but some of the policies that we've taken around co-operative federalism, whatever that may mean, and I asked you a fair number of questions about that last year, trouble me because the responses that I've seen from your ministry are responses that sound more like a separatist government in Quebec than the traditional Ontario response of national unity.

**Hon Mrs Cunningham:** I can assure you that is not the intent at all. Certainly I can speak on behalf of the whole Legislative Assembly in Ontario, as long as we've been here. Mr Wildman asked what do we consider ourselves, and I think Ontarians are probably the people who when asked, "Where are you from?" say, "We're Canadians." We know that, we've all got it in our bones, and certainly our Premier and former premiers have been huge leaders in this regard. When we talk about decentralization, that is not what this whole process is all about.

**Ms Castrilli:** We didn't get into that issue, unfortunately, because one of the objectives —

**Hon Mrs Cunningham:** It's part of a problem in a way. What we're trying to do is prevent it. We'll have to have some further discussions about this but this isn't about taking any powers away from the federal government; it's about communicating with each other, solving problems with each other, and getting rid of the overlap and duplication. The days are gone when you'd pick up the phone and say, "This is what you're getting."

I would be really happy to talk with any members of the opposition with regard to our training agreement,



because we need that for the people in Ontario. It's somewhat silly that we haven't reached a conclusion, but in fairness, we've been in serious discussions now for about —

**Mr Wildman:** Immigration issues.

**Hon Mrs Cunningham:** We did make a difference on that.

You can see that there are lots of important issues in this ministry. I appreciate the observations of my colleague and any recommendations that you've got will be considered.

I did want to make it very clear that what we're trying to do is not about power; it is about getting rid of the overlap and duplication, picking up the phone and talking about financial arrangements, and it's very serious business for all governments and certainly for the future of our country.

**The Chair:** Thank you, Minister. The time for proceedings today has come to an end, and as I noted before,

we have the unfortunate task of also wrapping up the estimates procedures, because we will reach the statutory date during the time we're on recess. I'd like to put the report to the Legislature tomorrow so that it is properly put.

I would ask for consideration for unanimous consent for considering the estimates of this ministry so we could add those to the list of ministries that are considered, but it would require your consent. Is it your wish? Agreed. I'll proceed then with the vote.

Shall vote 1501 carry? All those in favour? Opposed? I declare it carried.

Shall vote 1502 carry? Carried.

Shall the estimates of the Ministry of Intergovernmental Affairs carry? Carried.

Shall I report the estimates of the Ministry of Intergovernmental Affairs to the House? Carried.

Thank you very much. The meeting is adjourned.

*The committee adjourned at 1756.*







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